crew energy inc.

Crew Energy Inc. Announces Second Quarter 2021 Results Highlighted by a 451% Increase in Adjusted Funds Flow, Updated 2021 Guidance and Release of Inaugural ESG Report

August 4, 2021

CALGARY, Alberta, Aug. 04, 2021 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR) ("Crew" or the "Company") is pleased to announce our operating and financial results for the three and six month periods ended June 30, 2021, and the release of our inaugural Environmental, Social and Governance ("ESG") Report. Crew's Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") for the three and six month periods ended June 30, 2021 are available on Crew's newly designed website at www.crewenergy.com and filed on SEDAR at www.sedar.com.

Two-year sustainability plan on track[1]: Crew is now targeting adjusted funds flow ("AFF") [3] in 2021 and 2022 between $310 and $350 million on spending of $220 to $265 million, supporting the generation of $95 to $140 million of 2022 annual AFF[3] in excess of capital expenditures. These updated targets are based on estimated future commodity prices, and are expected to result in last-twelve month ("LTM") EBITDA [3] to debt of 1.3 to 1.5x at the end of 2022.

"In the second quarter of 2021, we continued steadfast in the advancement of our two-year plan, designed to increase the pace of development of our world-class Montney resource, with a goal to optimize throughput of our 40,000 boe per day infrastructure capacity and improve debt metrics," said Dale Shwed, President and CEO of Crew. "We are excited to continue with our plan to increase production, reduce unit costs to expand margins and to create sustainable value for all stakeholders, while playing an important role in the production of responsible energy. Today we are proud to unveil Crew's inaugural ESG Report, presented in digital format as a reflection of our commitment to adopt new technologies while adapting to the evolving needs of our stakeholders. Join us on our ESG journey here."

Q2 2021 HIGHLIGHTS

- **26,712 boe per day**[2] (160.3 mmcfe per day) average production in Q2/21, a 21% increase over Q2/20. First half 2021 volumes averaged 26,486 boe per day[2] (158.9 mmcfe per day), a 15% increase over the same period in 2020.
- **$25.5 million of AFF**[3] ($0.16 per fully diluted share) was generated in the quarter, a 451% increase over Q2/20, with year-over-year growth being bolstered by higher production, lower cash costs and a significantly improved commodity price environment. First half 2021 AFF[3] of $59.5 million ($0.37 per share) was nearly 3.5 times higher than the first half of 2020.
- **16% reduction in net operating costs**[3] in Q2/21, totaling $4.79 per boe in the quarter compared to $5.68 per boe in Q2/20, reflecting new production added at West Septimus which yields lower net operating costs, combined with improved operational efficiencies. General and administrative ("G&A") costs of $0.93 per boe for the first half of 2021 were 3% lower than the same period in the prior year.
- **$21.2 million of net capital expenditures**[3] in Q2/21**,** above our previously forecast range of $15 to $18 million, due to favorable spring break-up conditions that allowed for an early start to our capital program in June. The majority of expenditures were directed towards the continued development at Septimus and West Septimus ("Greater Septimus"), with $10.4 million invested in drilling and completions, $8.5 million directed to facilities, equipment and pipelines, and $2.3 million on land, seismic and other miscellaneous items.
- **Four natural gas wells** were drilled in Q2/21 at West Septimus, and three oil wells were recompleted in the Lloydminster area. The four ultra-extended reach horizontal ("U-ERH") natural gas wells have a combined average lateral length exceeding 3,800 metres, with one of the wells being drilled to a total measured depth of 6,425 metres, the longest in the Company's history.
- **$373.1 million of net debt**[4] at June 30, 2021, in-line with the prior quarter, with no near-term maturities and no financial covenants or repayment requirements on the $300 million of senior notes termed out until 2024, and 43% drawn on our $150 million credit facility. Crew's strengthening financial prospects and improved liquidity in North American bond markets have improved the potential for refinancing of the notes prior to their maturity in 2024.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended June 30, 2021**	Three months ended June 30, 2020	**Six months ended June 30, 2021**	Six months ended June 30, 2020
Petroleum and natural gas sales	**68,550**	24,889	**154,067**	62,983
Adjusted funds flow [1]	**25,530**	4,633	**59,525**	17,033
Per share – basic	**0.17**	0.03	**0.39**	0.11
- diluted	**0.16**	0.03	**0.37**	0.11
Net loss	**(23,138)**	(24,803)	**(21,785)**	(216,712)
Per share – basic	**(0.15)**	(0.16)	**(0.14)**	(1.42)
- diluted	**(0.15)**	(0.16)	**(0.14)**	(1.42)
Exploration and development expenditures	**21,198**	5,348	**71,288**	23,377
Property acquisitions (net of dispositions)	**-**	44	**-**	(34,896)
Net capital expenditures	**21,198**	5,392	**71,288**	(11,519)

Capital Structure ($ thousands)	**As at June 30, 2021**	As at Dec. 31, 2020
Working capital deficiency [1]	**11,282**	24,361
Bank loan	**64,515**	35,994
	75,797	60,355
Senior Unsecured Notes	**297,343**	296,851
Total net debt [1]	**373,140**	357,206
Common shares outstanding (thousands)	**156,557**	156,449

Notes:

(1) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

Operations	**Three months ended June 30, 2021**	Three months ended June 30, 2020	**Six months ended June 30, 2021**	Six months ended June 30, 2020
Daily production				
Light crude oil (bbl/d) [1]	**171**	191	**163**	203
Heavy crude oil (bbl/d)	**1,153**	1,175	**1,104**	1,351
Natural gas liquids ("ngl") [2] (bbl/d)	**2,687**	2,147	**2,545**	2,218
Condensate (bbl/d)	**3,019**	2,634	**2,864**	2,987
Conventional natural gas (mcf/d)	**118,089**	95,564	**118,858**	97,354
Total (boe/d @ 6:1)	**26,712**	22,074	**26,486**	22,985
Average prices [3]				

Light crude oil ($/bbl)	**71.65**	24.04	**68.02**	35.05
Heavy crude oil ($/bbl)	**60.03**	18.08	**56.54**	19.20
Natural gas liquids ($/bbl)	**11.85**	7.74	**12.65**	6.26
Condensate ($/bbl)	**75.36**	23.69	**72.72**	41.10
Conventional natural gas ($/mcf)	**3.49**	1.76	**4.52**	1.81
Oil equivalent ($/boe)	**28.20**	12.39	**32.14**	15.06

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 June 30, 2021	Three months ended June 30, 2020	**Six months ended June 30, 2021**	Six months ended June 30, 2020
Netback ($/boe)				
Petroleum and natural gas sales	**28.20**	12.39	**32.14**	15.06
Royalties	**(1.91)**	(0.46)	**(2.06)**	(0.74)
Realized commodity hedging (loss) gain	**(3.46)**	3.34	**(5.37)**	2.51
Marketing loss [1]	**-**	(0.26)	**-**	(0.07)
Net operating costs [2,3]	**(4.79)**	(5.68)	**(4.72)**	(5.70)
Transportation costs	**(4.10)**	(3.42)	**(4.13)**	(3.31)
Operating netback [3]	**13.94**	5.91	**15.86**	7.75
G&A	**(0.93)**	(0.76)	**(0.93)**	(0.96)
Financing costs on long-term debt	**(2.51)**	(2.85)	**(2.51)**	(2.71)
Adjusted funds flow [3]	**10.50**	2.30	**12.42**	4.08

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 as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

SUSTAINABILITY AND ESG INITIATIVES

Crew's commitment to progressing our ESG initiatives remained a primary focus in Q2/21, as we continued to invest in finding sustainable solutions and initiatives to ensure corporate growth while also supporting our diverse group of stakeholders and the environment. Crew is proud to have released our inaugural 2020 ESG report today along with the launch of a new corporate website. Please visit us at www.crewenergy.com to learn more, and to see a full list of our new ESG goals and targets.

- Crew's 2020 ESG report highlights our efforts to:
  - **Apply innovation** and increase operational efficiencies to **reduce emissions**; an example of which is the installation of a waste heat recovery unit at our West Septimus plant that is expected to reduce GHG emissions by over 10% at the facility. Crew gratefully acknowledges assistance from the Province of British Columbia's CleanBC Industry Fund for their support of this project.
  - **Reduce our environmental footprint** through responsible pad development and abandonment and reclamation activities.
  - **Strengthen existing relationships** and **foster new relationships** in the communities in which we live and work.
  - **Protect our "crew"** through robust health and safety standards and protocols.
- Crew continued to participate in provincially funded dormant well programs, abandoning 27 wells in Q2/21. Crew expects to abandon approximately 16% of the Company's idle wells during 2021.
- In Q2/21, Crew's regulatory compliance record remained strong, achieving a 95% compliance rating with 137 regulatory inspections completed across the three provinces in which we operate.
- No workforce recordable or lost time injuries occurred, and zero reportable spills occurred in Q2/21.

TWO-YEAR PLAN UPDATE[6]

During the second quarter of 2021, Crew advanced our two-year development plan that was announced in late 2020, with annual production trending in-line and AFF trending higher than initial guidance.

- **Production Growth** – Q2/21 production averaged 26,712 boe per day[5], within the previously announced forecasted annual average 2021 range of 26,000 to 28,000 boe per day, representing another period of growth supported by new completions and continued drilling. Average annual production in 2022 is now targeted to be 32,000 to 34,000 boe per day[5,6], up from initial estimates of 31,000 to 33,000 boe per day.
- **AFF Supported by Improved Pricing Environment** – AFF[7] of $59.5 million in the first half of 2021 has been bolstered by an improved commodity price environment which has continued into the second half of 2021. Our full year 2021 AFF[7] forecast has been increased to between $120 to $140 million which compares to initial guidance between $85 to $105 million. Full year AFF[6,7] in 2022 is now targeted at $190 to $210 million, an increase from initial estimates of $120 to $150 million.
- **Capital Program Expanded** – Our initial 2021 capital program of $120 to $145 million contemplated the drilling of 19 wells and completing between 14 wells and 21 wells, with an exit rate of over 30,000 boe per day. Updated guidance of $150 to $170 million of capital expenditures with an exit rate of over 32,500 boe per day[5] now includes the drilling of 21 wells and the completion of 21 wells. The two additional wells are planned to be drilled on the 4-14 pad at North Septimus, and three wells at Groundbirch that were drilled in Q1/21 are planned to be completed, equipped and tied-in through a new six kilometre 12-inch pipeline connecting to our West Septimus gathering system. Production related to the incremental capital expenditures will start later in the fourth quarter of 2021 and will allow the Company to utilize services in a time of less demand and increase volumes into the winter heating season, providing production momentum entering 2022. Crew's targeted capital expenditures in 2022 remain at $70 to $95 million [6].
- **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, G&A and interest expenses are targeted to decline from $13.19 per boe in 2020 to between $9.50 and $10.50 per boe in 2022[8]. Crew has reduced net operating costs from $5.70 per boe in H1/20 to $4.72 per boe in H1/21.
- **Balanced Hedging Program** – An important step in executing our two-year plan was to prudently ensure the Company had adequate AFF to execute our planned capital programs, and as such, we have embarked on an active risk management program. Crew currently has over 55% of forecast 2021 natural gas production hedged at an average price of $2.48 per Gigajoule ("GJ") (or $3.08 per mcf calculated using Crew's heat content factor), while approximately 35% of targeted natural gas production for 2022 is hedged at an average price of $2.47 per GJ (or $3.06 per mcf using Crew's heat content factor). Crew also has approximately 65% of our 2021 condensate production hedged at $61.24 per bbl, and 50% of our heavy oil production hedged at $46.00 per bbl, with limited 2022 liquids hedging currently in place.
- **Forecasted Debt Reduction Metrics Ahead of Plan** – Crew's original projection in the two-year plan was for debt to LTM EBITDA [9] to be between 2.0 and 2.5x at the end of 2022[8], and this is now projected to be between 1.3 and 1.5x.

OPERATIONS & AREA OVERVIEW

NE BC Montney (Greater Septimus)

- Production at Greater Septimus totaled 23,062 boe per day[10] in Q2/21, in line with the prior quarter and a 24% increase year-over-year, supported by Crew's 3-32 pad which came on-stream mid-April and is flowing through permanent facilities.
- Favorable spring break-up conditions allowed for an advanced start to Crew's second quarter capital program, allowing for the successful drilling of four U-ERH wells on the Company's 4-14 pad. The four wells drilled achieved a combined average lateral length exceeding 3,800 metres, with one of the wells being drilled to a total measured depth of 6,425 metres, the longest in the Company's history.
- Crew commenced construction of a five-kilometre 12-inch trunkline into North Septimus to allow for further development into that area, which is expected to represent another extension of the West Septimus ultra condensate rich play. Crew's 4-14 pad will be the anchor development in this area, with completion operations expected to commence in late Q3/21 on the first group of wells on this ten well pad.
- Mobilization towards the completion of seven wells on the Company's 1-8 pad at Greater Septimus started earlier than anticipated, with fracturing operations having commenced on the pad in early July. These wells have since been completed and are now flowing back at encouraging initial rates.
- Crew has 118 permitted well authorizations in the Montney in northeast BC, and with our current pace of development, would require five to six years to develop. The Company also has 277 sections of land that are on private property or are outside of the region claimed in an action by the Blueberry River First Nation against the province of British Columbia. Crew continues to foster strong relationships in the communities in which we live and work and we are proud to work together to achieve common objectives.

Other NE BC Montney

- At Groundbirch, Crew has elected to increase the scope of our 2021 budget. The Company now expects to complete and tie-in the three land tenure extension wells that were drilled in Q1/21, which was not originally planned in the 2021 budget. If successful, these wells would help de-risk over 35,000 acres of prospective Montney acreage and provide confidence in another core area of future development where the Company has over 300 potential extended reach horizontal ("ERH") well locations [11] identified.
    - The Company has begun construction of a six-kilometre 12-inch pipeline in Q3/21 in anticipation of these wells being completed in the fourth quarter of 2021, with production being routed to our West Septimus gas plant.
- Crew continues to evaluate encouraging offset operator activity in the Attachie and Oak/Flatrock areas.

Lloydminster Heavy Oil

- During the second quarter, Crew recompleted three heavy crude oil wells in the Lloydminster area to optimize value creation from existing assets and capitalize on an improved outlook for heavy crude oil prices.
- In Q2/21, Crew successfully executed 27 well abandonments in the Lloydminster area.

OUTLOOK[12]

- **Updated Full Year 2021 Guidance Designed to:**
    - Invest in capital projects with robust rates of return and payouts of less than 12 months, which can be supported by an active hedging program and by producing flush volumes into the winter heating season while maintaining the option to rapidly pivot in response to changing market conditions;
    - Respond to positive market conditions by expediting our goal of optimizing transportation and processing capacity through an expansion of the 2021 capital program to include the completion, equipping and six-kilometre tie-in of three Groundbirch wells and the drilling of two additional wells at our North Septimus 4-14 pad;
    - Validate the future development potential of two strategic areas at Groundbirch and North Septimus;
    - Test new zones in the Upper Montney "C" and the Lower Montney at the North Septimus 4-14 pad, evaluating their long-term future development potential; and
    - Enter 2022 with five drilled and uncompleted wells.

	New 2021 Guidance	**Initial 2021 Guidance[1]**	**New 2022 Guidance[3]**	**Initial 2022 Guidance[1]**
Annual Production (boe/d)	**26,000 to 28,000**	26,000 to 28,000	**32,000 to 34,000**	31,000 to 33,000
Exit Production (boe/d)	**>32,500**	>30,000		
Capital Expenditures ($MM)	**$150 to $170**	$120 to $145	**$70 to $95**	$70 to $95
AFF[2]	**$120 to $140**	$85 to $105	**$190 to $210**	$120 to $150
Wells Drilled	**21**	19		
Wells Completed	**21**	14 to 21		

Notes:
(1) Initial guidance provided in the December 10, 2020, Capital Budget press release.
(2) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.
(3) Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

- **Q3 2021 Production & Capital Expenditures** – During Q3/21, scheduled plant turnarounds, including at our West Septimus facility for the installation of a waste heat recovery unit, coupled with shut-in production volumes related to adjacent well completions, will result in lower average volumes during the period as compared to Q2 and Q1, with volumes anticipated to range between 20,000 and 22,000 boe per day[13] and capital spending forecast at $60 to $70 million in the quarter. This was budgeted in Crew's full year 2021 plans and is not expected to impact full year average volumes as fourth quarter production volumes are expected to average over 30,000 boe per day[13].
- **Debt Reduction Advanced** – Based on projected capital spending, current forward commodity prices and the production assumptions outlined in Crew's most recent Corporate Presentation, we expect that debt metrics will improve to between 1.3 and 1.5x LTM EBITDA[14] by the end of 2022[15], compared to initial estimates of 2.0 and 2.5x, representing a 38% improvement at the midpoint.

As global markets recover from the impact of the COVID-19 pandemic and demand for energy increases, Crew anticipates that Canadian natural gas will play an increasingly important role in the global energy mix as the world looks to diversify energy sources and reduce emissions. Accordingly, we remain excited to execute on our business plan to produce responsible energy while creating meaningful value and corporate growth. We thank all of our stakeholders, including employees, directors, partners, communities and shareholders, for their contribution and dedication to the success of Crew.

ADVISORIES

Non-IFRS Measures

Certain financial measures referred to in this press release, such as adjusted funds flow or AFF, 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 funds from operations before decommissioning obligations settled. 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.

"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 bank debt plus working capital deficiency or surplus, excluding the current portion of the fair value of financial instruments.

"Net Operating Costs" equals operating costs net of 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 and increase production and infrastructure utilization, reduce unit costs and enhance margins, increase AFF and improve leverage metrics; our Q3 2021, Q4 2021 and 2021 annual capital budget range and associated drilling and completion plans and associated guidance; preliminary capital plans and targets for 2022; the planned construction of 12-inch pipelines in the Groundbirch and Septimus areas; the *completion and tie-in of three land tenure extension wells that were drilled in Q1/21; production estimates including forecast Q3, Q4 and 2021 annual average and exit production volumes; preliminary 2022 targets and estimates; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs and future hedging opportunities; well abandonment plans; 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; expected debt metric improvements to between 1.3x and 1.5x LTM EBITDA; strong capital efficiencies and enhanced returns going forward; the potential impact of COVID-19 as well as government programs associated with COVID-19; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans, anticipated on-stream dates and associated development timing and cost estimates); the potential of our Groundbirch area to be a core area of future development and the number of potential wells to be drilled; infrastructure investment plans; the successful implementation of our ESG initiatives; achievement of key ESG goals and targets; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability including the improved potential for refinancing our senior notes prior to maturity in 2024 and 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, targets and preliminary guidance. 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.

[1] Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget. See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

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

[3] Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

[4] Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

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

[6] Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

[7] Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

[8] See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

[9] Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

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

[11] See 'Drilling Locations' in the Advisories.

[12] See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

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

[14] Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

[15] See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

Key Budget and Underlying Material Assumptions[1]

	2021 (Updated)[3]	**2022 (Updated)[3,4]**
Capital Expenditures ($MM)	150-170	70-95
Annual Average Production (boe/d)	26,000 – 28,000	32,000-34,000
Adjusted Funds Flow ($MM)	120-140	190-210
EBITDA[2] ($MM)	145-165	214-234
Oil price (WTI)($US per bbl)	$66.00	$65.00
WCS price ($C per bbl)	$66.50	$65.00

Natural gas price (AECO 5A) ($C per mcf)	$3.40	$3.15
Natural gas price (NYMEX) ($US per mmbtu)	$3.35	$3.40
Natural gas price (Crew est. wellhead) ($C per mcf)	$4.60	$3.90
Foreign exchange ($US/$CAD)	$0.80	$0.80
Royalties	5-7%	4-6%
Net operating costs[2] ($ per boe)	$4.75-$5.25	$4.25-$4.75
Transportation ($ per boe)	$3.50-$4.00	$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) The actual results of operations of Crew and the resulting financial results will likely vary from the estimates and material underlying assumptions set forth in this guidance by the Company and such variation may be material. The guidance and material underlying assumptions have been prepared on a reasonable basis, reflecting management's best estimates and judgments.
(2) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Non-IFRS Measures" contained within this Press Release.
(3) See the Guidance section of the Company's most recently filed Management's Discussion and Analysis for additional information regarding updated guidance and material assumptions.
(4) Crew's plans for 2022 and associated targets *remain preliminary in nature and do not reflect a Board approved capital expenditures budget.*

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[2]

	Crude Oil[1]	Natural gas liquids[3]	Condensate	Conventional Natural gas	Total (boe/d)
2021 Q2 Greater Septimus Average	0%	11%	13%	76%	23,062
2021 Q2 Average	5%	10%	11%	74%	26,712
2021 Q3 Average	6%	10%	9%	75%	20,000-22,000
2021 Q4 Average	3%	9%	10%	77%	>30,000
2021 H1 Average	5%	10%	11%	74%	26,486
2021 Annual Average	5%	10%	10%	75%	26,000-28,000
2021 Exit Rate	3%	8%	11%	78%	>32,500
2022 Annual Average	4%	9%	9%	78%	32,000-34,000

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.

Drilling Locations

This press release discloses an estimate of over 300 potential ERH well locations identified by management in the Company's Groundbirch area of operations which are comprised of: (i) 8 proved locations; and (ii) 294 unbooked locations. Proved locations are derived from the Company's independent reserves evaluation effective December 31, 2020 and account for drilling inventory that have associated proved reserves assigned by Sproule. Unbooked locations are internally identified potential drilling opportunities based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have reserves or resources attributed to them and are not estimates of drilling locations which have been evaluated by a qualified reserves evaluator performed in accordance with the COGE Handbook. There is no certainty that the Company will drill any of these potential drilling opportunities and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked locations are expected to be de-risked by drilling in relative close proximity to existing wells, other unbooked drilling locations are further away from existing wells where management has less information about the characteristics of the reservoir and, therefore, there is more uncertainty whether wells will ultimately be drilled in such locations.

BOE and MMCFE 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 adheres to safe and environmentally responsible operations while remaining committed to sound ESG practices that underpin Crew's fundamental business tenets. 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 six-month periods ended June 30, 2021 are filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

FOR DETAILED INFORMATION, PLEASE CONTACT:

Dale Shwed, President and CEO — Phone: (403) 266-2088

John Leach, Executive Vice President and CFO — Email: investor@crewenergy.com