



Crew Energy Announces Successful Transition to Pure-Play Montney Producer and Record Current Natural Gas Production

October 28, 2021

CALGARY, Alberta, Oct. 28, 2021 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR, OTCQB: CWEGF) ("Crew" or the "Company"), a growth-oriented natural gas weighted producer operating exclusively in the world-class Montney play in northeast British Columbia, is pleased to confirm the Q3 sale of our Lloydminster heavy oil asset representing the final step of our strategic transition to a pure-play Montney producer, and provide an operational update highlighted by recent drilling success and production volumes of 30,000 boe¹ per day based on net field sales estimates.

Sharpening our Focus on the Montney with the Sale of Lloydminster

Late in Q3, Crew completed the sale of our Lloydminster heavy oil operations (the "Transaction") for gross cash proceeds of \$10.3 million, representing the streamlining of our asset base. Through this Transaction, approximately 1,050 boe¹ per day of primarily heavy oil production was divested from the portfolio. While the Lloydminster volumes represented approximately 4% of Crew's total production volumes, they contributed approximately 19% to our corporate operating costs which are anticipated to decline by approximately \$0.70 per boe and improve margins. Given Lloydminster previously represented Crew's most emission-intensive asset, we will have removed 46% of Crew's direct 2020 GHG emissions (Scope 1) and anticipate the Company's total GHG emissions intensity will be reduced significantly going forward, putting Crew on a path to reach our emissions reduction goals earlier than anticipated. Divesting of these assets sets the stage for Crew to streamline operations and improve efficiencies going forward while reducing our overall Asset Retirement Obligation ("ARO") liabilities by nearly 40%, representing approximately \$34.5 million associated with 609 gross (539 net) wellbores.

This successful completion of the Transaction enables Crew to focus entirely on the world-class Montney play, and improves our environmental impact, positively contributing to the Company's environmental, social and governance ("ESG") goals. Our team is in a stronger position to enhance value as we focus Crew's resources fully to the Montney, where we have the greatest potential to generate returns and secure long-term sustainability. With this divestment, Crew would like to thank the dedicated Lloydminster heavy oil team for their hard work and support over the past 10 years, and particularly through the sale process. We wish to recognize their contributions to Crew's culture and leadership in upholding our commitment to safety, evidenced by achieving three years without a recordable injury at Lloydminster.

Natural Gas Production at New Highs

Crew is also very pleased to confirm that after the impact of the Lloydminster sale, our current production volumes have recently reached 30,000 boe¹ per day with record net natural gas sales production of 149 mmcf per day based on field estimates. This level of natural gas production is the highest ever realized by the Company, being produced into a very strong commodity price environment, and reflects the success of Crew's drilling program to date in 2021. This robust production performance is partly driven by volumes coming on stream from the seven wells on our 1-8 pad within the Greater Septimus area, along with our 4-17 land tenure retention pad at Groundbirch.

Positive Results at Groundbirch

At the 4-17 pad, three wells were completed during Q3, 2021 and are currently producing at restricted rates of approximately 32 mmcf of raw gas per day. These wells have been producing for 18 days and will continue to clean-up prior to a two-week period during which volumes will be shut-in while permanent production facilities are installed. The successful validation of this test pad, along with the evaluation of two distinct zones within the Montney, represent strategically important milestones for Crew given that these drilling results are expected to be the foundation for development of a new core area at Groundbirch. Based on a combination of production and pressure test data, we believe that these wells have the potential to be the most prolific gas wells the Company has drilled to date. Crew owns over 70,000 net acres of contiguous land in the Greater Groundbirch area and has an additional five well authorization permits at the 4-17 pad to follow up on the success of the first three wells. We expect that at least two additional zones in the Montney are potentially prospective at Groundbirch and we are currently advancing plans to test those zones in the future.

Record Production at West Septimus

In addition to realizing positive drilling and field operations results, our West Septimus gas processing facility recently achieved a new throughput record of 125 mmcf per day with working interest sales of 115 mmcf per day (119 mmcf gross) and a nameplate capacity of 120 mmcf per day of sales gas. These strong volumes are a direct result of incremental production added from the Company's new 1-8 pad along with our 4-17 pad at Groundbirch. Concurrent with these wells coming on-stream and in light of the West Septimus facility being close to capacity, Crew has made infrastructure modifications that allow volumes from the 4-17 pad to flow to, and be processed at, our Septimus gas processing facility, which currently has approximately 40 mmcf per day of excess capacity. This will accommodate new production from the five-well 4-21 pad at West Septimus that is scheduled to begin producing in mid-December.

Although we are drilling an additional five wells, Crew is maintaining previous capital expenditures guidance of \$150 to \$170 million and average production guidance of between 26,000 and 28,000 boe¹ per day for 2021. We intend to build on the momentum realized to date, with plans to drill 26 and complete 21 wells (compared to our previous guidance of drilling and completing 21 wells) by the end of 2021, and to carry forward ten drilled and uncompleted wells into 2022. During the first quarter of 2022, we plan to complete and bring these ten wells onto production through the Septimus gas processing facility. In addition, Crew has available capacity on three major export pipelines to facilitate the transportation to markets of our growing

natural gas production.

The Company anticipates releasing our Q3 2021 results for the three and nine months ended September 30, 2021 after market close on November 4th, 2021. For further information about Crew Energy and our upcoming events, please visit our website at www.crewenergy.com.

Advisories

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 development plan as described herein; 2021 annual capital budget and production ranges and associated drilling and completion plans including the timing thereof and associated guidance; production estimates and timing of new production; estimates of processing capacity and requirements; anticipated reductions in GHG emissions; anticipated reductions in our operating costs post Transaction; the potential of our Groundbirch area to be a core area of future development and the potential for at least two additional zones to be developed; infrastructure investment plans; and the timing of capital projects.

The internal projections, expectations, or beliefs underlying our Board approved 2021 capital budget and associated guidance, 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. 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).

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.

Preliminary Financial Information

The Company's expectations for Q3 2021 and year end are based on, among other things, Crew's preliminary financial results for the three months ended September 30, 2021. Crew's financial results for the three months ended September 30, 2021 have not yet been finalized or approved by its board of directors and as such, such estimates and guidance are subject to the same limitations and risks as discussed under Forward-Looking Information and Statements set out above.

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:

Corporate Production Volume Breakdown

| | Crude Oil ¹ | Natural gas liquids ² | Condensate | Conventional Natural gas | Total (boe/d) |
|--|------------------------|----------------------------------|------------|--------------------------|---------------|
| Lloydminster heavy oil production | 98% | 0 | 0 | 2% | 1,050 |

| | | | | | |
|--------------------------------|------|-----|-----|-----|---------------|
| Recent production level | 0.4% | 8% | 9% | 83% | 30,000 |
| 2021 Annual Average | 5% | 10% | 10% | 75% | 26,000-28,000 |

Notes:

(1) Crude oil is comprised primarily of Heavy crude oil, with an immaterial portion of Light and Medium crude oil.

(2) 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 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.

About Crew

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" and on the OTCQB in the US under the symbol "CWGEF".

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

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