



Crew Energy Provides Operational Update Highlighted by Record Q1 2022 Production and Strong Well Results

April 21, 2022

CALGARY, Alberta, April 21, 2022 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR; OTCQB: CWEGF) ("Crew" or the "Company") is a growth-oriented natural gas weighted producer operating exclusively in the world-class Montney play in northeast British Columbia. The Company is pleased to announce that we have established a new record production rate in Q1 2022, and strong condensate rates from our latest completion program, setting the stage to deliver greater than 20% production per share growth and an enhanced financial position.

• RECORD Q1/22 PRODUCTION

- Q1/22 estimated average production totaled **33,300 boe per day¹** (200 mmcfe), based on field estimates, a Company record representing a **27% increase** over Q1/21 average production of 26,257 boe per day¹ (157 mmcfe) and a **14% increase** sequentially over Q4/21 average production of 29,142 boe per day¹ (175 mmcfe).
- Based on field estimates, Q1/22 natural gas production increased 33% to **159 mmcf per day**, condensate production increased 45% to **3,900 bbls per day**, natural gas liquids² ("NGLs") increased 19% to **2,800 bbls per day** and crude oil production decreased by 25% to **115 bbls per day**, compared to Q1/21.
- With a strong start to 2022, full year average production is anticipated to be in-line with previously announced guidance of **31,000 to 33,000 boe per day¹**, which at the midpoint, represents a 21% increase over 2021.
- At these production levels, Crew's unit costs will continue to decline, expanding margins and generating higher Adjusted Funds Flow ("AFF").

• STRONG CONDENSATE-RICH WELLS AT GREATER SEPTIMUS

- Eight (8.0 net) extended reach horizontal ultra-condensate rich wells on the 4-14 pad were brought on stream in late Q4/21 and Q1/22, and have been flowing for periods of between 11 to 66 days before being shut-in for tie-in to permanent facilities. Last full day single well production rates from the eight wells averaged a cumulative total of **11,285 boe per day**, comprised of **30,523 mcf per day** of natural gas, **5,717 bbls per day** of condensate and **480 bbls per day** of NGLs².
- At Crew's 4-21 pad, two (2.0 net) Upper Montney "B" zone wells have now produced for 90 days ("IP90") with average per well sales rates of **1,486 boe per day**, comprised of **6,070 mcf per day** of natural gas, **307 bbls per day** of condensate and **167 bbls per day** of NGLs².
- In Q1/22, Crew drilled five (5.0 net) additional wells that will evaluate two additional zones on the Groundbirch 4-17 pad, following the success of our first three wells in the area that were drilled and completed in 2021. The initial three (3.0 net) Groundbirch wells are exceeding our Proved plus Probable area type curve forecasts, as reflected in Crew's year-end 2021 independent reserves evaluation, with an average per well raw gas production rate after 150 days ("IP150") of **8,976 mcf per day**.

• CAPITAL EXPENDITURES ON TRACK

- Net capital expenditures³ in Q1/22 are expected to be approximately **\$56 million**, while full year net capital expenditure³ guidance **remains at \$80 to \$95 million** with five Groundbirch wells currently planned to be completed and tied-in the last half of the year. Crew's focus in 2022 is to generate meaningful Free Adjusted Funds Flow ("FAFF") to reduce debt and enhance corporate sustainability.

Our team is excited with the progress made on the Company's Two-Year Plan. In 2022, we expect to improve leverage metrics by reducing debt and increasing AFF, driving enhanced financial flexibility. AFF is expected to be enhanced through increasing production and significantly reducing per unit costs from 2020 to 2022. Underpinning these efforts is Crew's unwavering focus on meeting or exceeding our ESG goals and remaining a safe and responsible operator and a good corporate citizen. We look forward to reporting our Q1/22 financial results on May 5th, 2022.

Footnote References

- 1) See table in the Advisories for production breakdown by product type as detailed in NI 51-101.
- 2) Excludes condensate volumes which have been reported separately.
- 3) Non-IFRS financial measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with calculations of similar measures or ratios for other entities. See "Advisories – Non-IFRS and Other Financial Measures" contained within this press release.

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 continue to execute on its two-year development plan and underlying strategy, targets and guidance as described herein; as to our plan to optimize and increase production and infrastructure utilization, reduce unit costs, improve leverage metrics and generate increasing Adjusted Funds Flow and meaningful Free Adjusted Funds Flow; our 2022 annual capital budget range including forecast net capital expenditures, associated drilling and completion plans and all associated near term initiatives and targets; production estimates including forecast production per share growth, 2022 annual averages and Q1 2022 production estimates; future liquidity and financial capacity; 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 successful implementation of our ESG initiatives; and anticipated improvement in our long-term debt and sustainability and the expected positive attributes discussed herein attributable to our two-year development plan.

The internal projections, expectations, or beliefs underlying our Board approved 2022 capital budget and associated guidance are subject to change in light of the impact of the COVID-19 pandemic and the Russia/Ukraine conflict, 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. 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 2022 and 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; that future business, regulatory and industry conditions will be within the parameters expected by Crew; 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, environmental and indigenous matters in the jurisdictions in which Crew operates; that regulatory authorities in British Columbia will resume granting approvals for oil and gas activities on time frames, and on terms and conditions, consistent with past practices; 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 differ 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.

Information Regarding Disclosure on Oil and Gas Operational Information

This press release contains metrics commonly used in the oil and natural gas industry. Each of these metrics are determined by Crew as specifically set forth in this news 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. See "Non-IFRS and Other Financial

Measures" below for additional disclosures.

BOE Conversions

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

Non-IFRS and Other Financial Measures

Throughout this press release and other materials disclosed by the Company, Crew uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Crew's performance. Management believes that the presentation of these non-IFRS and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Crew's business performance against prior periods on a comparable basis.

Included in this Press Release are references to "net capital expenditures", "Adjusted Funds Flow (AFF)" and "Free AFF" which are Non-GAAP financial measures or capital management measures, as the case may be, as defined in National Instrument 52-112. Certain additional disclosures for these financial measures including composition and usefulness have been incorporated by reference herein and can be found in the "Advisories-Non-IFRS and Other Financial Measures" section (pages 25-28) of the Company's MD&A for the year ended December 31, 2021, available on SEDAR at www.sedar.com and on the Company's website under the Investors section.

Supplemental Information Regarding Product Types

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

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

	Crude Oil	Natural Gas Liquids ²	Condensate	Conventional Natural Gas	Total (boe/d)
Q1 2021 Average	1,210 bbls/d	2,401 bbls/d	2,708 bbls/d	119,635 mcf/d	26,258
Q4 2021 Average	157 bbls/d	2,454 bbls/d	2,592 bbls/d	143,379 mcf/d	29,142
Q1 2022 Est. Average	115 bbls/d	2,850 bbls/d	3,900 bbls/d	159,000 mcf/d	33,300
2022 Annual Est. Average ¹	0%	8%	10%	82%	31,000-33,000

Notes:

1) 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.

2) Excludes condensate volumes which have been reported separately.

Test Results and Initial Production Rates

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

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".

FOR DETAILED INFORMATION, PLEASE CONTACT:

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