Crew Energy Announces Record Q2 2022 Operating and Financial Results Highlighted by Record Free Adjusted Funds Flow and Accelerated Deleveraging

August 8, 2022

CALGARY, ALBERTA, Aug. 08, 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 ("NEBC"). The Company is pleased to announce our operating and financial results for the three and six month periods ended June 30, 2022. Crew's Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") are available on Crew's website and filed on SEDAR at www.sedar.com.

"The success of our two-year asset development plan (the "Two-Year Plan") is clearly demonstrated by Crew's Q2/22 performance, during which we significantly reduced bank debt, resulting in a net debt to annualized Q2/22 EBITDA[1] measure of just 0.6 times. With production volumes of 35,044 boe per day outperforming internal forecasts by 10% and Adjusted Funds Flow[2] ("AFF") of $115 million up 48% over the previous quarter, we have set another corporate record," said Dale Shwed, President and CEO of Crew. "Our standout performance in the first half of the year has led to increases in annual guidance for production, AFF[2], Free AFF[6], and investment while continuing to responsibly develop our world-class Montney assets, reduce per unit costs and grow natural gas and condensate production – all of which support our long-term sustainability goals."

HIGHLIGHTS

- **35,044 boe per day**[3] (210 mmcfe) average production in Q2/22 was another new corporate record and 10% higher than Crew's internal forecasts, representing a 31% increase over Q2/21 and a 5% increase sequentially from Q1/22. First half 2022 volumes averaged 34,225 boe per day[3] (205 mmcfe), 29% above the same period in 2021.
  - Natural gas production in the quarter increased 33% over Q2/21 to **158 mmcf per day**.
  - Condensate production increased 84% in the quarter to **5,570 bbls per day** and natural gas liquids[4,5] ("NGLs") increased 16% to **3,108 bbls per day** over Q2/21.
- **$115.3 million of AFF**[2] ($0.76 per basic share and $0.71 per fully diluted share) was generated in Q2/22, a company record, a 48% increase from Q1/22 and a 352% increase over Q2/21, driven by significant production growth and robust operating netbacks[6] of $38.92 per boe. First half 2022 AFF[2] of $192.9 million was 224% higher than the first half of 2021.
- **$108.2 million of Free AFF**[6] was generated in Q2/22, enabling Crew to accelerate deleveraging and significantly strengthen our financial flexibility.
- **89% reduction in bank debt** relative to year end 2021, with only **$8.1 million** drawn on a $185 million credit facility at the end of June.
  - **$288.2 million of net debt**[2] at quarter-end, a 29% reduction from year-end 2021.
  - **0.6 times** net debt[2] to annualized Q2/22 EBITDA measure[1] at quarter-end.
- **22% reduction in cash costs per boe**[6] to $9.63 per boe in Q2/22 from $12.33 in Q2/21, with net operating costs[6] **declining 27%** over Q2/21 to **$3.52 per boe**.
- **$7.1 million of net capital expenditures**[6] in Q2/22 were limited, as no wells were drilled or completed in the period, and Crew remained focused on bolstering our financial position during spring break-up.
- **Exceeded corporate forecasts** on the following wells:
  - Five Upper Montney "B" zone ultra-condensate rich ("UCR") wells at Septimus with average (IP60) rates of 1,323 mcf per day of natural gas and 915 bbls per day of condensate;
  - Three Upper Montney "B" zone UCR wells at Septimus with average (IP120) rates of 8,614 mcf per day of natural gas and 574 bbls per day of condensate;
  - Crew's best upper Montney "C" zone UCR well to date with average (IP60) rates of 1,896 mcf per day of natural gas and 607 bbls per day of condensate; and
  - One exploration well at Monias, which tested 1,197 mcf per day of natural gas and 405 bbls per day of condensate,

proving the development potential of another area and enhancing corporate sustainability.

- **Sustainability and ESG Report** released today updating Crew's performance and initiatives, which is accessible from our website.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended June 30, 2022**	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Petroleum and natural gas sales	**198,329**	68,550	**328,671**	154,067
Cash provided by operating activities	**117,363**	24,890	**172,445**	55,337
Adjusted funds flow[2]	**115,274**	25,530	**192,934**	59,525
Per share[1] – basic	**0.76**	0.17	**1.27**	0.39
- diluted	**0.71**	0.16	**1.19**	0.37
Net income (loss)	**88,695**	(23,138)	**87,318**	(21,785)
Per share – basic	**0.58**	(0.15)	**0.57**	(0.14)
- diluted	**0.55**	(0.15)	**0.54**	(0.14)
Property, plant and equipment expenditures	**7,061**	21,198	**62,422**	71,288
Net property dispositions[6]	**-**	-	**-**	-
Net capital expenditures[6]	**7,061**	21,198	**62,422**	71,288

Capital Structure ($ thousands)	**As at June 30, 2022**	As at Dec. 31, 2021
Working capital surplus (deficiency)[2]	**18,222**	(33,068)
Bank loan	**(8,101)**	(75,067)
	10,121	(108,135)
Senior unsecured notes	**(298,325)**	(297,834)
Net debt[2]	**(288,204)**	(405,969)
Common shares outstanding (thousands)	**152,807**	152,480

OPERATIONAL	**Three months ended June 30, 2022**	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Daily production				
Crude oil (bbl/d)[7]	**108**	1,324	**112**	1,267
Condensate (bbl/d)	**5,570**	3,019	**4,752**	2,864
Natural gas liquids ("ngl") [4,5] (bbl/d)	**3,108**	2,687	**2,982**	2,545
Conventional natural gas (mcf/d)	**157,547**	118,089	**158,273**	118,858
Total (boe/d @ 6:1)	**35,044**	26,712	**34,225**	26,486
Average realized[1]				
Light crude oil price ($/bbl)	**130.66**	71.65	**118.68**	68.02
Heavy crude oil price ($/bbl)	**-**	60.03	**-**	56.54
Natural gas liquids price ($/bbl)	**49.09**	11.85	**48.91**	12.65
Condensate price ($/bbl)	**130.07**	75.36	**124.40**	72.72
Natural gas price ($/mcf)	**8.17**	3.49	**6.73**	4.52
Commodity price ($/boe)	**62.16**	28.20	**53.06**	32.14

	Three months ended June 30, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Netback ($/boe)				
Petroleum and natural gas sales	**62.16**	28.20	**53.06**	32.14
Royalties	**(3.98)**	(1.91)	**(3.40)**	(2.06)
Realized loss on derivative financial instruments	**(12.41)**	(3.46)	**(8.89)**	(5.37)
Net operating costs[6]	**(3.52)**	(4.79)	**(3.51)**	(4.72)
Transportation costs	**(3.33)**	(4.10)	**(3.23)**	(4.13)
Operating netback[6]	**38.92**	13.94	**34.03**	15.86

General and administrative ("G&A")	**(0.83)**	(0.93)	**(0.89)**	(0.93)
Financing costs on debt[6]	**(1.95)**	(2.51)	**(1.99)**	(2.51)
Adjusted funds flow[2]	**36.14**	10.50	**31.15**	12.42

[1] Supplementary financial 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 and Other Financial Measures" contained within this press release.

[2] Capital management 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 and Other Financial Measures" contained within this press release.

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

[4] Throughout this news release, NGLs 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.

[5] Excludes condensate volumes which have been reported separately.

[6] Non-IFRS financial measure or ratio 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 and in our most recently filed MD&A, available on SEDAR at www.sedar.com.

[7] Throughout this news release, crude oil refers to light, medium and heavy crude oil product type as defined by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

SUCCESSFUL EXECUTION OF TWO-YEAR PLAN

Crew is proud to showcase the successful execution of our Two-Year Plan, both to date in 2022 and since its launch in late 2020 and remains committed to furthering these efforts through the second half of this year. To date, we have realized the following accomplishments associated with our Two-Year Plan:

- **Significant Deleveraging** – Crew had an 89% reduction in outstanding bank debt quarter-over-quarter, which totaled $8.1 million at June 30, 2022, contributing to net debt[2] of $288.2 million, 27% lower than the previous quarter end. With our deleveraging strategy in action, we are on track to achieve our target net debt[2] to last twelve month ("LTM") EBITDA [1] ratio of under 1.0 times by the end of 2022, based on the forecast commodity prices referenced in the Outlook section, representing a significant improvement from 5.5 times at the end of 2020.
- **Material Production Expansion** – Average Q2/22 production of 35,044 boe per day[3] (210 mmcfe per day) represents the highest quarterly production in Crew's history, driven largely by strong well results from Septimus ultra condensate rich wells added in Q1/22 and the continued outperformance of the Groundbirch dry gas wells added in Q4/21. Condensate production increased 42% over the prior quarter, averaging 5,570 bbls per day, contributing to the Company's strong financial performance for the quarter.
- **Record AFF[2] and Free AFF[6] Levels** – AFF[2] of $115.3 million and Free AFF[6] of $108.2 million in Q2/22 were supported by reduced cash costs per boe[6], improved operating netbacks[6] and higher production.
- **Margin Enhancement Through Reduced Per Unit Cash Costs** – Cash costs per boe[6] associated with operating, transportation, G&A and interest expense totaled $9.63 per boe in Q2/22, a 22% decrease from $12.33 per boe in Q2/21, contributing to a 179% increase in operating netback[6] to $38.92 in Q2/22 over Q2/21, aligning with the goals in our Two-Year Plan to decrease cash costs per boe[6] by increasing production to match committed transportation and processing capacity, ultimately improving margins.
- **2022 Guidance Revised Upward** - Given Crew's outperformance through the first half of 2022, we are pleased to be revising full year 2022 guidance and assumptions across all metrics; notably AFF[2] guidance is increased to between $300 and $320 million, Free AFF[6] guidance is now between $160 to $190 million, with net capital expenditures increasing to $130 to $140 million and the bottom end of Crew's production forecast increasing to 32,000 to 33,000 boe per day. See the Outlook section below for commodity prices, capital allocation and other material assumptions**.**
- **Returns-Focused Capital Program –** For the remainder of 2022, Crew's expanded capital program will continue to be directed to high-return projects supported by a continued focus on technical efficiency improvements to help offset inflationary factors being experienced globally.

OPERATIONS & AREA OVERVIEW

NEBC Montney (Greater Septimus)

- Capital expenditures were focused on the equip and tie-in of the 4-14 pad during Q2/22, along with expansion of the infrastructure interconnectivity between Crew's Septimus and West Septimus gas plants. These infrastructure enhancements have enabled the optimal utilization of the liquids handling component of our infrastructure at the West Septimus gas plant, allowing Crew to achieve the highest quarterly condensate production in our history, averaging 5,570 bbls per day.
- Supported by greater facility utilization, the five (5.0 net) extended reach horizontal ("ERH") UCR wells drilled to the east in the Upper Montney "B" zone on our 4-14 pad produced IP60 volumes that exceeded internal expectations, with average wellhead rates of 1,323 mcf per day of natural gas and 915 bbls per day of condensate.
- The three (3.0 net) ERH UCR wells drilled to the west in the Upper Montney "B" zone on our 4-14 pad produced IP120 volumes that exceeded internal expectations, with average wellhead rates of 8,614 mcf per day of natural gas and 574 bbls per day of condensate.
- Successfully tested the new Upper Montney "C" zone on the 4-14 pad, with average wellhead IP60 rates of 1,896 mcf per day of natural gas and 607 bbls per day of condensate.
- Successfully tested the A14-34 exploration well in Q2/22 which flowed hydrocarbons for 187 hours (or 7.8 days) and at the end of the production test was producing at a wellhead rate of 1,197 mcf per day of natural gas and 405 bbls per day of condensate for a condensate to gas ratio ("CGR") of 338 bbls per mmcf. This well is strategically important as it is two miles northwest of the Monias fault, is within the Fort St. John graben and provides support for another liquids-rich hydrocarbon development window on Crew's acreage, further demonstrating the sustainable and high-quality nature of our asset base.

Groundbirch

- Early in 2022, Crew drilled five (5.0 net) wells that are expected to evaluate two additional zones on the Groundbirch 4-17 pad in the second half of the year, building on the success of our initial three wells previously established in the area. Completion operations have begun on these wells with testing to begin later in August.
- The initial three (3.0 net) wells drilled at Groundbirch are exceeding the Proved plus Probable area type curve forecasts reflected in Crew's year-end 2021 independent reserves evaluation [8], with an average per well raw gas production rate after 270 days ("IP270") of 7,706 mcf per day.
- Crew owns over 70,000 net acres of contiguous land in the Greater Groundbirch area. The Upper Montney at Groundbirch is approximately 470 feet in thickness and has four prospective zones, two of which have been tested on the initial three well pad. Two additional zones are expected to be evaluated in the last half of 2022 with the completion of our five well pad.

Other NE BC Montney

- We continue to evaluate encouraging offset operator activity in the Tower, Attachie and Oak/Flatrock areas.

SUSTAINABILITY AND ESG INITIATIVES WITH NEW REPORT RELEASED TODAY

Crew's commitment to progressing our ESG initiatives remained a focus in the quarter as we continue to invest in developing sustainable solutions to complement our corporate growth. Crew is proud to launch our second annual digital ESG report today, which builds on the Company's 2020 ESG report and features a new and streamlined structure. Please visit us at www.crewenergy.com to learn more and to read about our new sustainable solutions.

Our Q2/22 ESG highlights include:

- The Company continued to demonstrate our strong commitment to safety with no recordable injuries in Q2/22.
- The Company continued to participate in provincially-funded dormant well programs, having abandoned 20 wells to date in 2022. We expect to abandon a total of 39 wells, or approximately 30% of the Company's remaining idle wells in 2022.
- A total of $4.5 million was directed to abandonment and reclamation activities during the first six months of 2022, allocated across well work, reclamation, facilities removal and remediation.

OUTLOOK

- **Full Year 2022 Guidance**

- As a result of the strong commodity price environment, better than forecasted well performance and AFF, combined with our deleveraging goal of exiting the year with a net debt[2] to LTM EBITDA[1] ratio of less than 1.0 times being on track, the Company has increased our 2022 AFF[2], Free AFF[6], production and capital investment guidance. We plan to invest between $130 and $140 million of net capital expenditures[6], resulting in average annual production guidance of 32,000 to 33,000 boe per day[3].

- The increase in planned annual capital investment will now include:
  - the drilling of six ERH UCR wells at the Septimus 11-27 pad, following up on our highly successful 4-14 pad;
  - a condensate stabilization infrastructure project at the Septimus gas plant to increase condensate capacity from 1,000 bbls per day to 4,700 bbls per day;
  - pipeline infrastructure to tie-in the 11-27 pad, which is currently not expected to be on production until late Q1/23; and
  - placing deposits on long lead items for our 2023 program.
- This program is expected to optimize condensate production through both gas plants while adding six ERH UCR drilled and uncompleted wells to our inventory. For additional information, an updated corporate presentation has been posted to our website at crewenergy.com. Guidance for 2022 annual AFF, Free AFF and EBITDA have also increased as outlined in the table below:

	Previous 2022 Guidance and Material Assumptions	**Updated 2022 Guidance and Material Assumptions[9]**
Net capital expenditures[6] ($MM)	80-95	**130-140**
Annual average production (boe/d)	31,000-33,000	**32,000-33,000**
AFF[2] ($MM)	245-265	**300-320**
Free AFF[6] ($MM)	150-185	**160-190**
EBITDA[6] ($MM)	269-289	**324-344**
Oil price (WTI)($US per bbl)	85.00	**93.00**
Natural gas price (NYMEX) ($US per mmbtu)	5.10	**6.15**
Natural gas price (AECO 5A) ($C per mcf)	4.50	**5.45**
Natural gas price (Crew est. wellhead) ($C per mcf)	5.10	**6.25**
Foreign exchange ($US/$CAD)	0.78	**0.78**
Royalties	5-7%	**8-9%**
Net operating costs[6] ($ per boe)	3.50-4.00	**3.50-4.00**
Transportation ($ per boe)	2.75-3.25	**3.00-3.50**
G&A ($ per boe)	0.80-1.00	**0.80-1.00**
Effective interest rate on long-term debt	6.0-6.5%	**6.0-6.5%**

Updated 2022 guidance and material assumptions in the table above reflect actuals for the six months ended June 30, 2022 and forecasts for the six months ended December 31, 2022. Selected forecasts for the six months ended December 31, 2022 are as follows:

Oil price (WTI)($US per bbl)	85.00
Natural gas price (NYMEX) ($US per mmbtu)	6.25
Natural gas price (AECO 5A) ($C per mcf)	4.95
Natural gas price (Crew est. wellhead) ($C per mcf)	5.80

[8] Complete details of Crew's year-end 2021 independent reserves evaluation are contained within our Annual Information Form, available on SEDAR at www.sedar.com.

[9] 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.

- **Q3/22 Capital Program** – Crew's Q3/22 capital program is expected to range between $56 and $64 million, with quarterly production volumes expected to average between 30,000 and 32,000 boe per day[3] as the three Groundbirch wells, which were producing approximately 2,800 boe per day, have been shut-in for offsetting completion operations.
  - **Near Term Initiatives**

- Continue directing forecasted Free AFF[6] to further reduce debt and improve leverage metrics;
- Advance the evaluation of refinancing options for the Company's $300 million, 6.5% senior unsecured notes due March 14, 2024 (the "2024 Notes"), to further strengthen the balance sheet and position Crew for long-term sustainability;
- Invest in capital projects with strong rates of return and payouts expected in under 12 months, which can be supported by an active hedging program;
- Continue to optimize transportation and facilities throughput to sustain lower per unit costs; and
- Actively monitor service industry efficiencies, costs, supply chain trends and commodity prices to assess potential budget adjustments as market conditions change throughout the year.

Our 'Crew' remains eager to continue advancing our momentum and strategic direction, driving our Two-Year Plan to completion in the second half of 2022 by further improving the balance sheet, maintaining a focus on increasing AFF[5], and prioritizing our ongoing ESG initiatives. Through the balance of this year, Crew's Board of Directors and management will be working to develop an updated strategic plan to build on the success of our initial Two-Year Plan and anticipate sharing details about our plan in the fourth quarter of 2022. We thank all stakeholders, including employees, directors, partners, communities, bond holders and shareholders, for their contribution and dedication to the success of Crew.

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 Two-Year Plan and underlying strategy and targets as described herein; as to our plan to optimize and increase production and infrastructure utilization in 2022, reduce unit costs, materially improve leverage metrics and generate increasing Adjusted Funds Flow and meaningful Free Adjusted Funds Flow; our 2022 annual capital budget range, associated drilling and completion plans and all associated near term initiatives and targets, and guidance and underlying assumptions in the Outlook section of this press release; production estimates including forecast production per share growth, 2022 annual averages and Q3 2022 production estimates; forecast 2022 AFF estimates and targeted 2022 Free AFF and improvement in debt and leverage metrics; 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; anticipated reductions in GHG emissions and decommissioning obligations; future liquidity and financial capacity; future results from operations and operating and leverage metrics; expected well payouts under 12 months; our deleveraging strategy including targeted Net Debt to LTM EBITDA ratio of below 1.0x by the end of 2022; 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 for another liquids-rich hydrocarbon window on Crew's acreage at Greater Septimus; the potential of our Groundbirch area to be a core area of future development and the number of potential prospective zones to be drilled and the anticipated timing of evaluation of the various zones; infrastructure investment plans; the successful implementation of our ESG initiatives, and significant emissions intensity improvements going forward; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability and the expected positive attributes discussed herein attributable to our Two-Year 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, 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 defer materially from those anticipated in such forward-looking information or statements including, without limitation: the continuing and uncertain impact of COVID-19 and the Russia / Ukraine conflict; 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 and 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 MD&A and 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.

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. 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 specified 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 specified 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 specified 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.

Capital Management Measures

a) Funds from Operations and Adjusted Funds Flow ("AFF")

Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital, accretion of deferred financing costs and transaction costs on property dispositions. Adjusted funds flow represents funds from operations before decommissioning obligations settled (recovered). The Company considers these metrics as key measures 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. Management believes that such measures provide an insightful assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges, actual settlements of decommissioning obligations and transaction costs on property dispositions, the timing of which is discretionary. Funds from operations and adjusted funds flow should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Crew's determination of funds from operations and adjusted funds flow may not be comparable to that reported by other companies. Crew also presents adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of income per share. The applicable reconciliation to the most directly comparable measure, cash provided by operating activities, is contained under "free adjusted funds flow" below.

b) Net Debt and Working Capital Surplus (Deficiency)

Crew closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of its capital structure. The Company uses net debt (bank debt plus working capital deficiency or surplus, excluding the current portion of the fair value of financial instruments) as an alternative measure of outstanding debt. Management considers net debt and working capital deficiency (surplus) an important measure to assist in assessing the liquidity of the Company.

Non-IFRS Financial Measures and Ratios

a) Net Property Acquisitions (Dispositions)

Net property acquisitions (dispositions) equals property acquisitions less property dispositions and transaction costs on property dispositions. Crew uses net property acquisitions (dispositions) to measure its total capital investment compared to the Company's annual capital budgeted expenditures. The most directly comparable IFRS measures to net property acquisitions (dispositions) are property acquisitions and property dispositions.

b) Net Capital Expenditures

Net capital expenditures equals exploration and development expenditures less net property acquisitions (dispositions). Crew uses net capital expenditures to measure its total capital investment compared to the Company's annual capital budgeted expenditures. The most directly comparable IFRS measure to net capital expenditures is property, plant and equipment expenditures.

($ thousands)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Property, plant and equipment expenditures	**7,061**	**55,361**	**21,198**	62,422	71,288
Less: Net property dispositions	**-**	**-**	**-**	-	-
Net capital expenditures	**7,061**	**55,361**	**21,198**	62,422	71,288

c) EBITDA

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. The Company considers this metric as key measures 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. The most directly comparable IFRS measure to EBITDA is cash provided by operating activities.

($ thousands)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by operating activities	**117,363**	55,082	24,890	**172,445**	55,337
Change in operating non-cash working capital	**(2,666)**	19,675	1,097	**17,009**	3,805
Accretion of deferred financing costs	**(245)**	(246)	(246)	**(491)**	(492)
Funds from operations	**114,452**	74,511	25,741	**188,963**	58,650
Decommissioning obligations settled (recovered) excluding government grants	**822**	3,149	(211)	**3,971**	875
Adjusted funds flow	**115,274**	77,660	25,530	**192,934**	59,525
Interest	**6,230**	6,094	6,102	**12,324**	12,017
EBITDA	**121,504**	83,754	31,632	**205,258**	71,542

d) Free Adjusted Funds Flow

Free adjusted funds flow represents adjusted funds flow less capital expenditures, excluding acquisitions and dispositions. The Company considers this metric a key measure that demonstrates the ability of the Company's continuing operations to fund future growth through capital investment and to service and repay debt. The most directly comparable IFRS measure to free adjusted funds flow is cash provided by operating activities.

($ thousands)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by operating activities	**117,363**	55,082	24,890	**172,445**	55,337
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Adjusted funds flow	**115,274**	77,660	25,530	**192,934**	59,525
Less: property, plant and equipment expenditures	**7,061**	55,361	21,198	**62,422**	71,288
Free adjusted funds flow	**108,213**	22,299	4,332	**130,512**	(11,763)

e) Net Operating Costs

Net operating costs equals operating costs net of processing revenue. Management views net operating costs as an important measure to evaluate its operational performance. The most directly comparable IFRS measure for net operating costs is operating costs.

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Operating costs	**12,705**	11,359	12,136	**24,064**	23,675
Processing revenue	**(1,475)**	(830)	(482)	**(2,305)**	(1,036)
Net operating costs	**11,230**	10,529	11,654	**21,759**	22,639
Per boe	**3.52**	3.50	4.79	**3.51**	4.72

f) Net Operating Costs per boe

Net operating costs per boe equals net operating costs divided by production. Management views net operating costs per boe as an important measure to evaluate its operational performance. The calculation of Crew's net operating costs per boe can be seen in the non-IFRS measure entitled "Net Operating Costs" above.

g) Operating Netback per boe

Operating netback per boe 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 per boe an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

($/boe)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021
Petroleum and natural gas sales	**62.16**	43.39	28.20
Royalties	**(3.98)**	(2.78)	(1.91)
Realized loss on derivative financial instruments	**(12.41)**	(5.16)	(3.46)
Net operating costs(1)	**(3.52)**	(3.50)	(4.79)
Transportation costs	**(3.33)**	(3.12)	(4.10)
Operating netbacks(1)	**38.92**	28.83	13.94
Production (boe/d)	**35,044**	33,399	26,712

h) Cash costs per boe

Cash costs per boe is comprised of net operating, transportation, general and administrative and financing costs on debt calculated on a boe basis. Management views cash costs per boe as an important measure to evaluate its operational performance.

($/boe)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Net operating costs	**3.52**	3.50	4.79	**3.51**	4.72
Transportation costs	**3.33**	3.12	4.10	**3.23**	4.13
General and administrative expenses	**0.83**	0.96	0.93	**0.89**	0.93
Financing costs on debt	**1.95**	2.03	2.51	**1.99**	2.51
Cash costs	**9.63**	9.61	12.33	**9.62**	12.29

i) Financing costs on debt per boe

Financing costs on debt per boe is comprised of the sum of interest on bank loan and other, interest on senior notes and accretion of deferred financing charges, divided by production. Management views financing costs on debt per boe as an important measure to evaluate its cost of debt financing.

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended Mar 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Interest on bank loan and other	**1,123**	1,040	994	2,163	1,855
Interest on senior notes	**4,862**	4,808	4,862	9,670	9,670
Accretion of deferred financing charges	**245**	246	246	491	492
Financing costs on debt	**6,230**	6,094	6,102	12,324	12,017
Production (boe/d)	**35,044**	33,399	26,712	34,225	26,486
Financing costs on debt per boe	**1.95**	2.03	2.51	1.99	2.51

Supplementary Financial Measures

"Adjusted funds flow per basic share" is comprised of adjusted funds flow divided by the basic weighted average common shares.

"Adjusted funds flow per diluted share" is comprised of adjusted funds flow divided by the diluted weighted average common shares.

"Average realized commodity price" is comprised of commodity sales from production, as determined in accordance with IFRS, divided by the Company's production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized light crude oil price" is comprised of light crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's light crude oil production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized heavy crude oil price" is comprised of heavy crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's heavy crude oil production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized ngl price" is comprised of ngl commodity sales from production, as determined in accordance with IFRS, divided by the Company's ngl production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized condensate price" is comprised of condensate commodity sales from production, as determined in accordance with IFRS, divided by the Company's condensate production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized natural gas price" is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Net debt to annualized quarterly EBITDA" is calculated as net debt at a point in time divided by the annualized quarterly EBITDA.

"Net debt to last twelve months (“LTM”) EBITDA" is calculated as net debt at a point in time divided by EBITDA earned from that point back for the trailing twelve months.

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	Condensate	Natural Gas Liquids[1]	Conventional Natural Gas	Total (boe/d)
Q2 2021 Average	1,324 bbls/d	3,019 bbls/d	2,687 bbls/d	118,089 mcf/d	26,712
Q1 2022 Average	116 bbls/d	3,926 bbls/d	2,856 bbls/d	159,007 mcf/d	33,399
Q2 2022 Average	108 bbls/d	5,570 bbls/d	3,108 bbls/d	157,547 mcf/d	35,044
H1 2022 Average	112 bbls/d	4,752 bbls/d	2,982 bbls/d	158,273 mcf/d	34,225
Q3 2022 Average	-	12%	10%	78%	30,000-32,000
2022 Annual Average	-	12%	9%	79%	32,000-33,000

Notes:

1) 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 (“IP”) 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 natural gas and liquids producer, committed to pursuing sustainable per share growth through a balanced mix of financially and socially responsible exploration and development. The Company’s operations are exclusively 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” and on the OTCQB in the US under ticker “CWEGF”.

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