



## Crew Energy Announces \$130 Million Non-Core Asset Disposition and Partial Redemption of Outstanding 6.500% Senior Unsecured Notes Due 2024

August 18, 2022

CALGARY, Alberta, Aug. 18, 2022 (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 ("**NE BC**"), announced today that we have successfully completed the sale of certain non-core assets at Attachie and Portage in NE BC for gross proceeds of \$130 million (subject to certain customary closing adjustments) (the "**Disposition**"). The net proceeds from the Disposition will be used to redeem \$128 million principal amount of the Company's 6.500% senior unsecured notes due 2024 (the "**2024 Notes**"), of which an aggregate principal amount of \$300 million is currently outstanding.

### Details of the Disposition

The Disposition includes approximately 47,025 net acres of Montney rights on land north of the Peace River with no associated production or facilities, total proved reserves of 4.7 million boe<sup>1</sup>, representing 2.3% of total corporate proved reserves, with associated future development capital of \$25.7 million, and total proved plus probable reserves of 34.2 million boe<sup>1</sup>, representing 8.5% of total corporate proved plus probable reserves, with associated future development capital of \$182.9 million.

With completion of the Disposition, Crew has successfully monetized a non-core portion of our asset base to focus on production growth in the Greater Septimus and Groundbirch areas. In concert with the strong Adjusted Funds Flow<sup>2</sup> ("**AFF**") and Free AFF<sup>3</sup> realized to date in 2022, the proceeds from this transaction will further contribute to our financial flexibility and form the basis for development of an updated strategic plan that builds on the momentum realized over the past 24 months.

### Partial Redemption of 2024 Notes

In connection with the receipt of the Disposition proceeds, Crew today issued a notice of partial redemption for \$128 million principal amount of its outstanding 2024 Notes (the "**Redeemed Notes**") at a redemption price of CDN \$1,010.40 for each \$1,000.00 of principal amount redeemed, plus accrued and unpaid interest up to, but not including, the redemption date of September 19, 2022.

In addition to benefitting from improvements in our overall cost of debt, as a result of this partial redemption, we have also strengthened the balance sheet and helped position Crew for long-term sustainability. The Company is currently undrawn on its \$185 million credit facility and will continue to assess options to refinance the remaining balance of the 2024 Notes over the coming quarters in advance of the March 2024 maturity date.

### Advisors

TD Securities Inc. acted as financial advisor to Crew in respect of the Disposition and TD Securities Inc. and National Bank Financial acted as co-financial advisors to Crew in respect of the partial redemption of 2024 Notes.

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<sup>1</sup> Reflects "gross" reserves assigned by the Company's independent reserves evaluator, Sproule Associates Limited, in their evaluation made effective December 31, 2021 (the "Sproule Report") prepared in accordance with the definitions and provisions contained in the COGE Handbook. Complete details of the Sproule Report are contained within Crew's most recent Annual Information Form filed on SEDAR.

<sup>2</sup> 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 our most recently filed MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com).

<sup>3</sup> 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 our most recently filed MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.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: Crew's belief that the proceeds from the Disposition will further contribute to its financial flexibility and form the basis for development of an updated strategic plan that builds on the momentum realized over the past 24 months; the anticipated timing and completion of the partial redemption of the Redeemed Notes as described herein; the anticipated impact of the completion of the Disposition and partial redemption of the Redeemed Notes on the Corporation's balance sheet and long term sustainability; and the Company's plans to continue to assess options to refinance the remaining balance of the 2024 Notes in advance of the March 2024 maturity date.

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. The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon.

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.

### **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.

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".

### **FOR DETAILED INFORMATION, PLEASE CONTACT:**

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