Crew Energy Announces Q3 2022 and Record Nine Month Operating and Financial Results Highlighted by Accelerated Deleveraging

November 3, 2022

CALGARY, Alberta, Nov. 03, 2022 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR; OTCQB: CWEGF) ("Crew" or the "Company"), a growth-oriented natural gas weighted producer operating in the world-class Montney play in northeast British Columbia ("NE BC"), is pleased to announce our operating and financial results for the three and nine month periods ended September 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.

"Crew's Q3 performance reflects continued success driving our two-year asset development plan (the "Two-Year Plan") forward, exceeding the plan's original leverage, margin improvement and production targets. As of the end of Q3/22, we have significantly deleveraged resulting in zero bank debt and a net debt[2] to last twelve month ("LTM") EBITDA [1] ratio of just 0.5 times, while generating quarterly production volumes of 31,792 boe per day and Adjusted Funds Flow[2] ("AFF") of $69.4 million," said Dale Shwed, President and CEO of Crew. "Due to our outperformance to date in 2022, paired with strong results from our recent development initiatives, we believe Crew is in an excellent position to continue our momentum in responsibly developing our world-class Montney assets."

HIGHLIGHTS

- **31,792 boe per day**[3] (191 mmcfe) average production in Q3/22 was near the high end of Crew's production guidance range of 30,000 to 32,000 boe per day[3] and represents a 34% increase over Q3/21 volumes, despite production shut-in for offsetting completion operations at Groundbirch and in part for intermittently low regional spot gas prices. For the first nine months of 2022, volumes averaged 33,405 boe per day[3] (200 mmcfe), 31% above the same period in 2021.
  - Natural gas production in the quarter increased 36% over Q3/21 to **146 mmcf per day**.
  - Condensate production increased 101% over Q3/21 to **4,731 bbls per day.**
  - Natural gas liquids[4,5] ("NGLs") increased 20% over Q3/21 to **2,692 bbls per day**.
- **$69.4 million of AFF**[2] ($0.46 per basic share and $0.43 per fully diluted share) was generated in Q3/22, a 162% increase from Q3/21, driven by year-over-year production growth and strong operating netbacks[6] of $26.43 per boe. For the first nine months of 2022, AFF[2] of $262.4 million was 205% higher than the comparable period in 2021.
- **$15.9 million of Free AFF**[6] was generated in Q3/22, supporting Crew's accelerated deleveraging and further strengthening financial flexibility.
- **62% reduction in net debt**[2] relative to year end 2021, totaling $152.6 million at quarter-end with nil drawings on our recently increased $200 million credit facility.
  - Proceeds of $130 million from the previously announced non-core Attachie and Portage property disposition (the "Disposition") facilitated a 43% reduction in Crew's outstanding Senior Unsecured Notes compared to year-end 2021, with $172 million now due in 2024.
  - **0.5 times** net debt[2] to LTM EBITDA[1] ratio at quarter-end.
- **25% reduction in cash costs per boe**[6] to $10.23 per boe in Q3/22 from $13.61 in Q3/21, with net operating costs[6] **declining 19%** over Q3/21 to **$4.12 per boe**.
- **$53.6 million invested in exploration and development** expenditures during Q3/22, below the midpoint of previously provided guidance of $60 million, with $39.7 million directed to drilling and completion activities in the Greater Septimus area, $11.6 million on facilities, equipment and pipelines and $2.3 million on land, seismic, and other miscellaneous amounts.
  - **Net capital expenditures**[6] in Q3/22 were negative $76.4 million as disposition proceeds of $130.0 million offset Crew's exploration and development expenditures during the quarter.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Sept. 30, 2022**	Three months ended Sept. 30, 2021	**Nine months ended Sept. 30, 2022**	Nine months ended Sept. 30, 2021
Petroleum and natural gas sales	**132,950**	75,628	**461,621**	229,695
Cash provided by operating activities	**82,322**	18,072	**254,767**	73,409
Adjusted funds flow[2]	**69,417**	26,511	**262,351**	86,036
Per share[1] – basic	**0.46**	0.17	**1.72**	0.56
- diluted	**0.43**	0.17	**1.62**	0.55
Net income	**105,658**	176,183	**192,926**	154,398
Per share – basic	**0.69**	1.14	**1.27**	1.01
- diluted	**0.65**	1.12	**1.19**	0.99
Property, plant and equipment expenditures	**53,560**	64,295	**115,982**	135,583
Net property dispositions[6]	**(129,983)**	(7,816)	**(129,983)**	(7,816)
Net capital expenditures[6]	**(76,423)**	**56,479**	**(14,001)**	**127,767**

Capital Structure ($ thousands)	**As at Sept. 30, 2022**	As at Dec. 31, 2021
Working capital surplus (deficiency)[2]	**18,521**	(33,068)
Bank loan	**-**	(75,067)
	18,521	(108,135)
Senior unsecured notes	**(171,149)**	(297,834)
Net debt[2]	**(152,628)**	(405,969)
Common shares outstanding (thousands)	**152,285**	152,480

OPERATIONAL	**Three months ended Sept. 30, 2022**	Three months ended Sept. 30, 2021	**Nine months ended Sept. 30, 2022**	Nine months ended Sept. 30, 2021
Daily production				
Crude oil (bbl/d)[7]	**83**	1,157	**102**	1,230
Condensate (bbl/d)	**4,731**	2,350	**4,745**	2,691
Natural gas liquids (“ngl”) [4,5] (bbl/d)	**2,692**	2,242	**2,884**	2,442
Conventional natural gas (mcf/d)	**145,715**	107,459	**154,041**	115,016
Total (boe/d @ 6:1)	**31,792**	23,659	**33,405**	25,532
Average realized[1]				
Light crude oil price ($/bbl)	**104.30**	78.29	**114.75**	71.26
Natural gas liquids price ($/bbl)	**41.30**	23.76	**46.52**	16.09
Condensate price ($/bbl)	**106.15**	81.47	**118.27**	75.30
Natural gas price ($/mcf)	**5.65**	4.65	**6.39**	4.56
Commodity price ($/boe)	**45.46**	34.75	**50.62**	32.95

	Three months ended Sept. 30, 2022	Three months ended Sept. 30, 2021	**Nine months ended Sept. 30, 2022**	Nine months ended Sept. 30, 2021
Netback ($/boe)				
Petroleum and natural gas sales	**45.46**	34.75	**50.62**	32.95
Royalties	**(6.86)**	(2.74)	**(4.51)**	(2.27)
Realized loss on derivative financial instruments	**(4.63)**	(6.22)	**(7.52)**	(5.64)
Net operating costs[6]	**(4.12)**	(5.11)	**(3.71)**	(4.84)
Transportation costs	**(3.42)**	(4.61)	**(3.29)**	(4.28)
Operating netback[6]	**26.43**	16.07	**31.59**	15.92
General and administrative (“G&A”)	**(0.99)**	(1.05)	**(0.92)**	(0.97)
Financing costs on debt[6]	**(1.70)**	(2.84)	**(1.90)**	(2.61)
Adjusted funds flow[2]	**23.74**	12.18	**28.77**	12.34

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[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").

TWO-YEAR PLAN NEARS COMPLETION

Crew continues to develop a renewed strategic plan designed to build on momentum created with our current Two-Year Plan, for which we anticipate communicating details of towards the end of this year. We are proud to showcase the following accomplishments realized from the Two-Year Plan to date:

- **Significant Deleveraging** – Crew lowered outstanding bank debt to zero and reduced our outstanding Senior Unsecured Notes by 43% in Q3/22, together driving a 62% reduction in quarter-end net debt[2] to $152.6 million compared to year-end 2021. Crew's deleveraging strategy has achieved our target of a net debt [2] to LTM EBITDA[1] ratio of under 1.0 times with a September 30, 2022 ratio of 0.5 times.
- **Strengthened Production Profile** – Average Q3/22 production of 31,792 boe per day[3] (191 mmcfe per day) increased 34% compared to Q3/21 despite the Company electing to temporarily shut-in production during the quarter for offsetting completion operations and for major third-party pipeline maintenance that eroded regional spot natural gas prices. The year-over-year increase was driven largely by strong well results from Crew's ultra-condensate rich ("UCR") wells added earlier in 2022. Crew's high-value condensate production increased 101% over Q3/21, contributing to our strong financial performance and setting the stage for future success.
- **Improved Margins** – Cash costs per boe[6] associated with operating, transportation, G&A and interest expense totaled $9.82 per boe in the first nine months of 2022, a 23% improvement from the same period in 2021, contributing to a 133% increase in AFF[2] per boe[1] to $28.77 over the same period in 2022. Crew successfully improved margins throughout the Two-Year Plan, assisted by increasing production to match committed transportation and processing capacity.

OPERATIONS & AREA OVERVIEW

NE BC Montney (Greater Septimus)

- Crew drilled five (5.0 net) of the six (6.0 net) planned extended reach horizontal ("ERH") wells on the West Septimus 11-27 pad during Q3/22 and finished drilling the sixth well early in the fourth quarter. These wells are planned to be completed in Q4/22, with production expected in mid January 2023.
- In Q3/22, the Company constructed a pipeline connection from our 11-27 pad to the West Septimus Gas Plant to enable the use of Crew produced natural gas to fuel future operations and to tie-in pad production once completed.
- The five (5.0 net) previously established ERH UCR wells drilled on the eastern segment of our 4-14 pad in the Upper Montney "B" zone continued to exceed internal expectations, producing average wellhead IP170 rates of 1,711 mcf per day of natural gas and 633 bbls per day of condensate. On the western segment of the 4-14 pad, the three (3.0 net) additional ERH UCR wells produced IP240 volumes that also continue to exceed internal expectations, with average wellhead rates of 7,638 mcf per day of natural gas and 416 bbls per day of condensate.

Groundbirch

- During Q3/22, Crew completed, equipped and tied-in five (5.0 net) previously drilled ERH wells on the 4-17 pad that build on the success of the initial three wells previously developed in the area. Early well results indicate that four zones exist for commercial development in the upper Montney at Groundbirch, with the five wells flowing up tubing at an average restricted raw gas rate of 8,500 mcf per day at an average casing pressure of 2,665 psi after 19 days of cleanup and testing. These wells are being produced intermittently, reflecting regional gas price volatility which has recently moderated.

  - To evaluate spacing for full field development, Crew deployed downhole fiber optic monitoring while fracturing the pad to optimally determine future vertical and horizontal well spacing as well as proppant loading.

- The three (3.0 net) previously established wells at Groundbirch continue to exceed 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 180 days ("IP180") of 8,593 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, all of which have now been tested following the 4-17 exploration and development program in Q3/22, with each having generated promising initial commercial development rates.

Other NE BC Montney

- Crew has commenced drilling the six-well, 15-28 ERH pad at Tower which is expected to be finished in Q4/22, with completion activities planned following spring break-up in 2023. The wells will target light oil in the upper Montney "B" and "C" zones and are planned to have lateral lengths of over 4,000 meters.

SUSTAINABILITY AND ESG INITIATIVES

Crew's environmental, social and governance ("ESG") initiatives continue to be a key focus as we maintain our steadfast commitment to safe and responsible energy production. During Q3/22, Crew achieved independent certification of our natural gas and natural gas liquids production from our NE BC Development area under the Equitable Origin EO100™ Standard for Responsible Energy Development. The certification confirms Crew's best-practice methods for ESG performance in the energy sector and demonstrates our commitment to continuous improvement.

Please visit esg.crewenergy.com to see our recently updated digital ESG Report and to learn more about our latest sustainable solutions.

OUTLOOK

- Crew's strong 2022 financial performance in achieving leverage targets provides the flexibility to expedite two projects that were originally planned for the first quarter of next year. Accelerating these projects allows Crew to capture the economic benefit of meaningful cost savings and efficiency gains by completing wells in Q4/22 and through continuous drilling operations. This revised program also enables additional flush production volumes to be produced into a higher forecast natural gas price environment anticipated through the winter of 2023. With renewed financial flexibility, Crew's plan is to weight future capital investments to the third and fourth quarters of the year, which generally offer numerous operational, capital investment and revenue optimization advantages.

  - During Q4/22, Crew now plans to complete six (6.0 net) ERH UCR wells on the 11-27 pad and drill six (6.0 net) ERH oil wells on the 15-28 pad, taking anticipated annual expenditures for the full year to $175 to $185 million, from the $130 to $140 million previously forecast. Crew's annual 2022 production guidance is refined to 32,500 to 33,000 boe per day[3] from 32,000 to 33,000 boe per day.

  - To further secure superior returns on our investment, Crew has hedged 67,500 GJ's per day of natural gas production at an average price of $4.65 per GJ (or $5.60 per mcf using Crew's heat content factor), and 1,500 bbls per day of condensate at $106.00 per bbl for the first half of 2023.

  - The Company's net capital expenditures [6] through the first half of 2023 are forecast to reflect reduced investment activity through the period due to the projects brought forward into 2022. A preliminary budget of $45 to $55 million is targeted to result in June 30, 2023 net debt[2] of under $100 million.

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[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.

	Previous 2022 Guidance and Material Assumptions	**Updated 2022 Guidance and Material Assumptions[9]**
Property, plant and equipment expenditures ($MM)	130-140	**175-185**
Net capital expenditures[6] ($MM)	130-140	**45-55[10]**
Annual average production (boe/d)	32,000-33,000	**32,500-33,000**
AFF[2] ($MM)	300-320	**300-320**
Free AFF[6] ($MM)	160-190	**115-145**
EBITDA[6] ($MM)	324-344	**324-344**

Oil price (WTI)($US per bbl)	93.00	**93.00**
Natural gas price (NYMEX) ($US per mmbtu)	6.15	**6.15**
Natural gas price (AECO 5A) ($C per mcf)	5.45	**5.45**
Natural gas price (Crew est. wellhead) ($C per mcf)	6.25	**6.25**
Foreign exchange ($US/$CAD)	0.78	**0.78**
Royalties	8-9%	**8-9%**
Net operating costs[6] ($ per boe)	3.50-4.00	**3.50-4.00**
Transportation ($ per boe)	3.00-3.50	**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 nine months ended September 30, 2022 and forecasts for the three months ended December 31, 2022. Selected forecasts for the three months ended December 31, 2022 are as follows:

Oil price (WTI)($US per bbl)	85.00
Natural gas price (NYMEX) ($US per mmbtu)	6.00
Natural gas price (AECO 5A) ($C per mcf)	4.95
Natural gas price (Crew est. wellhead) ($C per mcf)	5.80

- **Q4/22 Capital Program** – Crew's Q4/22 net capital expenditures[6] are expected to range between $60 and $70 million, and although the Company's current productive capacity is over 34,000 boe per day, Q4/22 production is expected to average between 30,000 and 32,000 boe per day[3]. The Company plans to shut-in production volumes for offsetting completion operations at the 11-27 pad and has deferred production in October that was exposed to low regional spot gas prices which have since recovered to seasonal averages.
    - Planned Q4/22 capital investment includes:
        - The completion of six (6.0 net) ERH UCR wells on the 11-27 pad which are expected to be on production in mid-January 2023, following up on our highly successful 4-14 pad;
        - The drilling of six (6.0 net) ERH oil wells on the 15-28 pad at Tower, with completion planned following spring break-up in 2023;
        - 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 by summer 2023; and
        - Placing deposits on long lead items for our 2023 program.
- **Near Term Initiatives**
    - Direct Free AFF[6] to further debt reduction and improvement of leverage metrics;
    - Further assess optimal refinancing and payment options for the remaining $172 million of Senior Unsecured Notes due 2024;
    - Continue to focus on technical efficiency improvements to help offset inflationary factors;
    - Invest in capital projects offering robust rates of return with targeted payback periods under 12 months, which can be supported by an active hedging program;
    - Outline details of the Company's renewed strategic plan; 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.

[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.

[10] Net of $130 million of proceeds from the previously announced non-core Attachie and Portage property disposition.

Our 'Crew' remains excited about the results we have realized by executing our Two-Year Plan to date and we look forward to sharing an updated plan before year end. We commend the hard work of Crew's employees, contractors and directors whose commitment and dedication are critical to our ongoing success and thank all shareholders and bondholders for your ongoing support.

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 Plan and underlying strategy and targets as described herein; as to our plan to continue to optimize and increase production and infrastructure utilization, 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, our preliminary plans and budget for H1 2023, associated drilling and completion plans, the timing thereof, and all associated near term initiatives and targets, along with all guidance and underlying assumptions in the Outlook section of this press release; production estimates including forecast production per share growth, 2022 annual averages and Q4 2022 production estimates; infrastructure plans and anticipated benefits; 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 first half 2023 capital expenditure plans including targeted June 30, 2023 debt levels; 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 anticipated commerciality of up to four potential prospective zones to be drilled; 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 Sept. 30, 2022	Three months ended June 30, 2022	Three months ended Sept. 30, 2021	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021

Property, plant and equipment expenditures	53,560	7,061	64,295	115,982	135,583
Less: Net property dispositions	(129,983)	-	(7,816)	(129,983)	(7,816)
Net capital expenditures	(76,423)	7,061	56,479	(14,001)	127,767

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 Sept. 30, 2022	Three months ended June 30, 2022	Three months ended Sept. 30, 2021	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021
Cash provided by operating activities	82,322	117,363	18,072	254,767	73,409
Change in operating non-cash working capital	(16,243)	(2,666)	5,707	766	9,512
Accretion of deferred financing costs	(214)	(245)	(245)	(705)	(737)
Transaction costs on property dispositions	203	-	2,505	203	2,505
Funds from operations	66,068	114,452	26,039	255,031	84,689
Decommissioning obligations settled excluding government grants	3,349	822	472	7,320	1,347
Adjusted funds flow	69,417	115,274	26,511	262,351	86,036
Interest	6,916	6,230	6,183	19,240	18,200
EBITDA	76,333	121,504	32,694	281,591	104,236

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 Sept. 30, 2022	Three months ended June 30, 2022	Three months ended Sept. 30, 2021	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021
Cash provided by operating activities	82,322	117,363	18,072	254,767	73,409
Change in operating non-cash working capital	(16,243)	(2,666)	5,707	766	9,512
Accretion of deferred financing costs	(214)	(245)	(245)	(705)	(737)
Transaction costs on property disposition	203	-	2,505	203	2,505
Funds from operations	66,068	114,452	26,039	255,031	84,689
Decommissioning obligations settled excluding government grants	3,349	822	472	7,320	1,347
Adjusted funds flow	69,417	115,274	26,511	262,351	86,036
Less: property, plant and equipment expenditures	53,560	7,061	64,295	115,983	135,583
Free adjusted funds flow	15,857	108,213	(37,784)	146,368	(49,547)

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 Sept. 30, 2022	Three months ended June 30, 2022	Three months ended Sept. 30, 2021	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021
Operating costs	12,580	12,705	11,866	36,644	35,541
Processing revenue	(520)	(1,475)	(750)	(2,825)	(1,786)
Net operating costs	12,060	11,230	11,116	33,819	33,755
Per boe	4.12	3.52	5.11	3.71	4.84

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 Sept. 30, 2022	Three months ended June 30, 2022	Three months ended Sept. 30, 2021
Petroleum and natural gas sales	45.46	62.16	34.75
Royalties	(6.86)	(3.98)	(2.74)
Realized loss on derivative financial instruments	(4.63)	(12.41)	(6.22)
Net operating costs	(4.12)	(3.52)	(5.11)
Transportation costs	(3.42)	(3.33)	(4.61)
Operating netbacks	26.43	38.92	16.07
Production (boe/d)	31,792	35,044	23,659

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 Sept. 30, 2022	Three months ended June 30, 2022	Three months ended Sept. 30, 2021	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021
Net operating costs	4.12	3.52	5.11	3.71	4.84
Transportation costs	3.42	3.33	4.61	3.29	4.28
General and administrative expenses	0.99	0.83	1.05	0.92	0.97
Financing costs on debt	1.70	1.95	2.84	1.90	2.61
Cash costs	10.23	9.63	13.61	9.82	12.70

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 Sept. 30, 2022**	Three months ended June 30, 2022	Three months ended Sept. 30, 2021	**Nine months ended Sept. 30, 2022**	Nine months ended Sept. 30, 2021
Interest on bank loan and other	**154**	1,123	1,023	2,317	2,878
Interest on senior notes	**4,607**	4,862	4,915	14,277	14,585
Accretion of deferred financing charges	**214**	245	245	705	737
Financing costs on debt	**4,975**	6,230	6,183	17,299	18,200
Production (boe/d)	**31,792**	35,044	23,659	33,405	25,532
Financing costs on debt per boe	**1.70**	1.95	2.84	1.90	2.61

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.

"Adjusted funds flow per boe" is comprised of adjusted funds flow divided by total production.

"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 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)
Q3 2021 Average	1,157 bbls/d	2,350 bbls/d	2,242 bbls/d	107,459 mcf/d	23,659
Q2 2022 Average	108 bbls/d	5,570 bbls/d	3,108 bbls/d	157,547 mcf/d	35,044
Q3 2022 Average	83 bbls/d	4,731 bbls/d	2,682 bbls/d	145,715 mcf/d	31,792
First 9 Months of 2022 Average	102 bbls/d	4,745 bbls/d	2,884 bbls/d	154,041 mcf/d	33,405
Q4 2022 Average	0%	12%	8%	80%	30,000-32,000
2022 Annual Average	0%	14%	9%	77%	32,500-33,000

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 located in northeast British Columbia and feature a vast Montney resource with a large contiguous land base in the Greater Septimus and Groundbirch areas in British Columbia, offering significant development potential over the long-term. Crew has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. The Company'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:

Dale Shwed, President and CEO — Phone: (403) 266-2088
John Leach, Executive Vice President and CFO — Email: investor@crewenergy.com