



## Crew Energy Announces Q1 2023 Results Highlighted by 16% Higher Condensate Production Driving Record AFF Margins of 74%, Leading to Continued Net Debt Reduction

May 8, 2023

CALGARY, Alberta, May 08, 2023 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR; OTCQB: CWEGF) ("Crew" or the "Company"), a growth-oriented, liquids rich natural gas 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 month period ended March 31, 2023. Crew's audited consolidated 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](http://www.sedar.com).

### HIGHLIGHTS

- **32,963 boe per day<sup>1</sup>** (198 mmcf per day) average production in Q1/23 neared the top end of Crew's guidance range of 31,000 to 33,000 boe per day, slightly ahead of Q4/22 volumes. Crew realized 16% higher condensate production compared to the same period in 2022, illustrating our ability to rapidly optimize the production mix to maximize value, along with ongoing operational success that supports a planned ramp up in light oil and condensate production during H2/23.
  - **155,789 mmcf per day** of natural gas production in Q1/23, **79% of total** production, generating 51% of revenue.
  - **4,643 bbls per day** of oil and condensate production in Q1/23, **14% of total** production, generating 41% of revenue.
  - **2,355 bbls per day** of natural gas liquids<sup>5,6</sup> ("NGLs") production in Q1/23, **7% of total** production, generating 8% of revenue.
- **\$74.5 million of Adjusted Funds Flow ("AFF")<sup>2</sup>** (\$0.46 per fully diluted share<sup>3</sup>) generated in Q1/23, in line with Q4/22, reflecting strong production volumes and robust combined liquids pricing which helped drive operating netbacks<sup>4</sup> that averaged \$27.22 per boe.
  - **AFF<sup>2</sup> as a percentage of petroleum and natural gas sales ("AFF Margin")<sup>3</sup>** reached a record **74%**, highlighting the success of our recently completed two-year growth plan and the strength of our 2023 hedge program.
- **\$22.2 million of net capital expenditures<sup>4</sup>** in Q1/23, below our previously forecast guidance range of \$25 to \$30 million as activity was limited to drilling surface holes on the 4-32 pad and finalizing equipping of wells that were completed in Q4/22, with the remainder invested in facilities, pipelines and other miscellaneous items.
- **\$52.4 million of Free AFF<sup>4</sup>** generated in Q1/23, a 265% increase over Q4/22, which supported Crew's continued deleveraging by enabling a **30% reduction in net debt<sup>2</sup>** to \$105.3 million at quarter-end, with zero drawn on our \$200 million credit facility.
  - **Improved net debt<sup>2</sup>** to trailing last twelve-month ("LTM") EBITDA<sup>3</sup> ratio which declined to **0.3 times** at March 31, 2023, from 0.4 times at year-end 2022.
- **\$41.4 million** in positive after-tax net income (\$0.26 per fully diluted share) was realized during the quarter, compared to a loss in the same period of 2022.
- **Cash costs per boe<sup>4</sup>** of \$9.40 in Q1/23 represents a two percent improvement over \$9.61 per boe in Q1/22, reflecting lower financing expenses.
- **Subsequent to quarter-end**, Crew redeemed the balance of our \$172 million of outstanding Senior Unsecured Notes at par on April 28, 2023, using cash on hand and drawings on the bank line, and also extended our \$200 million bank facility maturity to May 2025 with no financial maintenance covenants and no minimum liquidity requirements.

### FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL (\$ thousands, except per share amounts)	Three months ended Mar. 31, 2023	Three months ended Mar. 31, 2022
Petroleum and natural gas sales	100,681	130,432

<b>Cash provided by operating activities</b>	<b>66,644</b>	55,082
<b>Adjusted funds flow<sup>2</sup></b>	<b>74,517</b>	77,660
Per share <sup>3</sup> – basic	<b>0.48</b>	0.51
– diluted	<b>0.46</b>	0.48
<b>Net income (loss)</b>	<b>41,354</b>	(1,377)
Per share – basic	<b>0.27</b>	(0.01)
– diluted	<b>0.26</b>	(0.01)
<b>Property, plant and equipment expenditures</b>	<b>22,161</b>	55,361
<b>Net property dispositions<sup>4</sup></b>	<b>-</b>	-
<b>Net capital expenditures<sup>4</sup></b>	<b>22,161</b>	55,361

<b>Capital Structure</b> (\$ thousands)	<b>As at Mar. 31, 2023</b>	As at Dec. 31, 2022
Working capital surplus <sup>2</sup>	<b>84,386</b>	21,844
Other long-term obligations	<b>(18,223)</b>	-
Senior unsecured notes	<b>(171,448)</b>	(171,298)
<b>Net debt<sup>2</sup></b>	<b>(105,285)</b>	(149,454)
<b>Common shares outstanding</b> (thousands)	<b>153,494</b>	154,377

<b>OPERATIONAL</b>	<b>Three months ended ended Mar. 31, Mar. 31, 2023</b>	Three months ended ended Mar. 31, 2022
<b>Daily production</b>		
Light crude oil (bbl/d) <sup>7</sup>		<b>71</b> 116
Condensate (bbl/d)		<b>4,572</b> 3,926
Natural gas liquids (“ngl”) <sup>5,6</sup> (bbl/d)		<b>2,355</b> 2,856
Conventional natural gas (mcf/d)		<b>155,789</b> 159,007
Total (boe/d @ 6:1)		<b>32,963</b> 33,399
<b>Average realized<sup>3</sup></b>		
Light crude oil price (\$/bbl)		<b>84.56</b> 107.35
Natural gas liquids price (\$/bbl)		<b>38.80</b> 48.72
Condensate price (\$/bbl)		<b>98.33</b> 116.27
Natural gas price (\$/mcf)		<b>3.67</b> 5.29
Commodity price (\$/boe)		<b>33.94</b> 43.39

	<b>Three months ended Mar. 31, 2023</b>	Three months ended Mar. 31, 2022
<b>Netback</b> (\$/boe)		
Petroleum and natural gas sales	<b>33.94</b>	43.39
Royalties	<b>(4.13)</b>	(2.78)
Realized gain (loss) on derivative financial instruments	<b>4.72</b>	(5.16)
Net operating costs <sup>4</sup>	<b>(4.02)</b>	(3.50)
Net transportation costs <sup>4</sup>	<b>(3.29)</b>	(3.12)
Operating netback <sup>4</sup>	<b>27.22</b>	28.83
General and administrative (“G&A”)	<b>(1.14)</b>	(0.96)
Financing expenses on debt <sup>4</sup>	<b>(0.95)</b>	(2.03)
Adjusted funds flow <sup>2</sup>	<b>25.13</b>	25.84

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

<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 this press release.

<sup>3</sup> 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.

<sup>4</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 this press release and in our most recently filed MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com).

<sup>5</sup> 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.

<sup>6</sup> Excludes condensate volumes which have been reported separately.

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

## **FOUR-YEAR PLAN UPDATE**

Crew's four-year plan, announced at the end of 2022 (the "[Four-Year Plan](#)"<sup>8</sup>), is designed to leverage our momentum and strong financial position to significantly increase size and scale through 2026. Successful implementation of this Four-Year Plan would enable the Company to meaningfully increase production, targeting growth in excess of 60,000 boe per day.

A key driver behind the Four-Year Plan is the expansion of our gas processing infrastructure, including the construction of an electrified 180 mmcf per day deep-cut gas plant in the Company's Groundbirch area which is ideally located to supply natural gas to Canada's future liquified natural gas ("LNG") export facilities. The progression of our Groundbirch area development plan is dependent on all necessary permits being obtained, supportive commodity prices and securing the requisite financing while maintaining conservative debt leverage metrics. With current spot and future strip natural gas prices remaining depressed due largely to an ongoing global supply and demand imbalance, Crew plans to prudently advance the Four-Year Plan by monitoring price signals for additional hedging opportunities and continuing to explore a variety of project financing options.

## **OPERATIONS UPDATE & AREA OVERVIEW**

### **NE BC Montney (Greater Septimus)**

- Crew's first quarter capital program concentrated on drilling surface holes for four (4.0 net) of a planned five (5.0 net) wells at the 4-32 pad, which are slated to be drilled through Q2 2023, and finalizing equipping activities on five wells at the 11-27 pad that were initially brought on for testing before the end of 2022.
- Average production from the five (5.0 net) extended reach horizontal ("ERH") ultra-condensate rich ("UCR") wells that were completed on the 11-27 pad have produced wellhead rates of 1,463 mcf per day of natural gas and 575 bbls per day of condensate over the first 90 days of production (IP90).
- Engineering work and equipment purchases commenced for Crew's condensate stabilization project at the Septimus Gas Plant in Q1/23, which is expected to increase the plant's condensate capacity to 5,000 bbls per day and facilitate expanded development of our ultra-condensate rich area. Installation of the condensate stabilization equipment is expected to be completed in Q3/23.
- Construction was initiated on the Company's North Septimus 2-24 UCR pad and North Septimus 6-18 UCR pad. These wells are planned to be drilled in the summer of 2023 following the drilling of the five new wells on the 4-32 pad.

### **Groundbirch**

- The original three wells on the 4-17 pad have produced an average of 2.94 bcf of natural gas over 440 days, exceeding our independent reserve evaluator's year-end 2022 proved plus probable type curve by 34% to date.
- The five (5.0 net) ERH wells in the second phase of development at Crew's 4-17 pad continue to exceed internal type curve estimates, with an average per well raw gas production rate over 210 days ("IP210") of 6,224 mcf per day.
- Engineering design is continuing for Crew's Groundbirch plant which will expand our gas processing infrastructure and support future growth in our Four-Year Plan.
- The Upper Montney at Groundbirch is approximately 470 feet in thickness and has four prospective zones, all of which were tested through Crew's 4-17 exploration and development program in 2021 and 2022, with each zone having generated promising initial commercial development rates. Drilling and testing results at Groundbirch have demonstrated the strength of our asset base, positioning the Company with decades of potential development runway.
- Crew currently holds 24 well permits in the Groundbirch area, with 60 well permit applications submitted and pending approval.

### **Other NE BC Montney**

- The Company currently has six drilled but uncompleted ERH wells on the 15-28 pad at Tower, which are planned to be completed in Q3/23. The wells target light oil in the upper Montney “B” and “C” zones and feature lateral lengths of over 4,000 meters.

## **RISK MANAGEMENT PROFILE**

To secure a base level of AFF<sup>2</sup> to fund planned capital projects, Crew continues to utilize hedging to limit exposure to fluctuations in commodity prices and foreign exchange rates, while allowing for participation in spot commodity prices. As of May 8, 2023, the Company's hedging profile includes:

- For the remainder of Q2/23, approximately 72,500 GJ per day at C\$4.24 per GJ, or C\$5.17 per mcf using Crew's higher heat content factor, and 1,500 bbls per day of condensate at an average price of C\$106.08 per bbl.
- For the second half of 2023, approximately 70,000 GJ per day at C\$4.26 per GJ, or C\$5.20 per mcf using Crew's heat content factor, and 1,250 bbls per day of condensate at an average price of C\$100.25 per bbl.

## **SUSTAINABILITY AND ESG INITIATIVES**

Crew's commitment to environmental, social and governance (“ESG”) initiatives remained a key focus in Q1/23 as we continue to invest in developing sustainable solutions to complement our corporate growth. Our Q1/23 ESG highlights include:

- Continued to demonstrate our strong commitment to safety with no recordable or lost time injuries in Q1/23.
- Directed a total of \$3.5 million to abandonment and reclamation activities during Q1/23, with 11 wells cut and capped.
- Recorded no reportable spills in the first quarter of 2023.
- Invested 80 volunteer hours as well as financial contributions into community support initiatives and not-for-profit organizations in the quarter, geared towards helping the health, well-being, and economies of our local communities as part of our “Crew Cares” initiative.

In the summer of 2023, Crew anticipates releasing an updated digital ESG Report, which will be available for viewing at [www.esg.crewenergy.com](http://www.esg.crewenergy.com). The updated report will feature Crew's latest sustainability initiatives and data performance tables.

## **OUTLOOK**

- **2023 Guidance Reaffirmed** - With persistent supply and demand imbalances across parts of North America and Europe leading to low natural gas prices, the Company reaffirms guidance which prioritizes light oil and condensate production over natural gas production and the maintenance of conservative leverage metrics. Crew's full year 2023 net capital expenditures<sup>4</sup> budget is forecasted to be **\$190 to \$210 million**, comprising plans to:
  - Drill 15 (15.0 net) Montney wells
  - Complete, equip and tie-in 12 (12.0 net) wells
  - Maintain 2023 average production at **30,000 to 32,000 boe per day**<sup>1</sup> targeting an exit rate of **32,000 to 34,000 boe per day**<sup>1</sup>
  - Hold an inventory of ten (10.0 net) drilled and uncompleted UCR wells at year end 2023
  - Achieve combined light oil and condensate production over 6,000 bbls per day in Q4/23, representing over 50% growth from Q4/22
- To date, Crew has not encountered any infrastructure damage or production curtailments due to the current wildfires in British Columbia and northwest Alberta. We continue to monitor the situation and will provide an update if conditions were to change.
- **Q2/23** net capital expenditures<sup>4</sup> are forecast at **\$28 to \$32 million** with average production of **28,000 to 30,000 boe per day**<sup>1</sup>, a function of firm transportation restrictions, natural production declines and shutting in production due to low natural gas prices.

The following table sets forth Crew's reaffirmed guidance and underlying material assumptions:

	<b>2023 Guidance and Assumptions<sup>9</sup></b>
Net capital expenditures <sup>4</sup> (\$Millions)	<b>190-210</b>
Annual average production <sup>1</sup> (boe/d)	<b>30,000–32,000</b>
Adjusted funds flow <sup>2</sup> (\$Millions)	<b>240-260</b>
Free adjusted funds flow <sup>4</sup> (\$Millions)	<b>30-70</b>
EBITDA <sup>4</sup> (\$Millions)	<b>250-270</b>

Oil price (WTI)(\$US per bbl)	<b>\$75.00</b>
Natural gas price (NYMEX) (\$US per mmbtu)	<b>\$3.20</b>
Natural gas price (AECO 5A) (\$C per mcf)	<b>\$2.85</b>
Natural gas price (Crew est. wellhead) (\$C per mcf)	<b>\$3.30</b>
Foreign exchange (\$US/\$CAD)	<b>\$0.74</b>
Royalties	<b>9–11%</b>
Net operating costs <sup>4</sup> (\$ per boe)	<b>\$4.50–\$5.00</b>
Net transportation costs <sup>4</sup> (\$ per boe)	<b>\$3.50–\$4.00</b>
G&A (\$ per boe)	<b>\$1.00–\$1.20</b>
Effective interest rate on long-term debt	<b>6.5–7.5%</b>

<b>2023 Sensitivities (Q2 to Q4)</b>	<b>AFF (\$MM)</b>	<b>AFF/Share</b>	<b>FD AFF/Share</b>
100 bbl per day Condensate	\$3.2	\$0.02	\$0.02
C\$1.00 per bbl WTI	\$1.2	\$0.01	\$0.01
US \$0.10 NYMEX (per mmbtu)	\$3.2	\$0.02	\$0.02
1 mmcf per day natural gas	\$1.0	\$0.01	\$0.01
\$0.10 AECO 5A (per GJ)	\$2.3	\$0.01	\$0.01
\$0.01 FX CAD/US	\$2.6	\$0.02	\$0.02

## **ANNUAL SHAREHOLDER MEETING**

Crew's Annual General Meeting will be held in the Bow River Room/Bow Glacier Room, 3rd floor, 250-5th Street S.W., Centennial Place, West Tower, Calgary, Alberta on Thursday, the 11th day of May, 2023 at 3:00 p.m. (Calgary time). Further meeting details are available within the Company's 2023 Information Circular, which can be viewed on our profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.crewenergy.com](http://www.crewenergy.com).

Crew's world class Montney asset base, operational excellence and financial strength positions the Company to succeed in dynamic market conditions by providing optionality to adjust our capital program to optimize our production mix, ensuring long term sustainability. Our dedicated team is excited to continue delivering long-term shareholder value through innovation and adaptability, supported by a robust risk management program and proven strategy which enables us to achieve our goals while maintaining a safe and responsible operating culture. We express our gratitude to our stakeholders for their commitment and ongoing support of Crew in this dynamic environment.

## **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" "targets" 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 Four-Year Plan and underlying strategy, plans, goals and targets, all as more particularly outlined and described in this press release; our 2023 annual capital budget range (the "2023 Budget"), associated drilling and completion plans, the anticipated timing thereof, and all associated near term initiatives, goals and targets, along with all guidance and underlying assumptions related to the 2023 Budget as outlined in the "Outlook" section in this press release; production and type-curve estimates and targets under the 2023 Budget and balance of the Four-Year Plan; infrastructure plans and anticipated benefits outlined in this press release including construction of the Groundbirch plant; completion of the Company's condensate stabilization project at its Septimus Gas Plant and anticipated benefits thereof; anticipated timing and assumed receipt of all regulatory approvals required in connection therewith; our ability to secure financing for the Groundbirch plant and timing thereof; forecast improvement in debt and leverage metrics; commodity price expectations and assumptions; Crew's commodity risk management programs and future hedging 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 and ability to finance our Four-Year Plan; future results from operations and operating and leverage metrics; targeted debt levels and leverage metrics over the course of the Four-Year Plan; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including our capital investment model through 2026 and associated drilling and completion plans, associated receipt of all required regulatory permits for our Four-Year Plan, development timing and cost estimates); the potential to serve a Canadian LNG market; 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 anticipated releases of our updated ESG Report; 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 Four-Year Plan.

The internal projections, expectations, or beliefs underlying our Board approved 2023 Budget and associated guidance, as well as management's preliminary strategy, and associated plans, goals and targets in respect of the balance of its Four-Year Plan, are subject to change in light of, without limitation, the Russia/Ukraine conflict and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, volatile commodity prices, resulting changes in our underlying assumptions, goals and targets provided herein and changes in 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. In this press release reference is made to the Company's longer range 2024 and beyond internal plan and associated economic model. Such information reflects internal goals and targets used by management for the purposes of making capital investment decisions and for internal long-range planning and future budget preparation. Readers are cautioned that events or circumstances and updates to underlying assumptions could cause capital plans and associated results to differ materially from those predicted and Crew's guidance for 2023, and more particularly its internal plan, goals and targets

for 2024 and beyond which are not based upon Board approved budget(s) at this time, 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 several 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 continue 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 pandemics 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.

#### **Risk Factors to the Company's Four-Year Plan**

Risk factors that could materially impact successful execution and actual results of the Four-Year Plan include:

- volatility of petroleum and natural gas prices and inherent difficulty in the accuracy of predictions related thereto;
- changes in Federal and Provincial regulations;
- execution of construction timelines from BC Hydro to support the electrification of the Groundbirch plant;
- receipt of high-value regulatory permits required to launch development under the Four-Year Plan;
- the Company's ability to secure financing for the Groundbirch plant sourced from AFF, bank or other Debt instruments, asset sales, equity issuance, infrastructure financing or some combination thereof; and
- Those additional risk factors set forth in the Company's MD&A and most recent Annual Information Form filed on SEDAR.

#### **Information Regarding Disclosure on Oil and Gas 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.

## 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 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.

## BOE and Mcfe Conversions

Measurements expressed in barrel of oil equivalents, BOEs or Mcfe may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl and an Mcfe conversion ratio of 1 bbl:6 Mcf are based on an energy equivalency conversion method primarily applicable at the burner tip and do 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 charges 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 March 31, 2023	Three months ended December 31, 2022	Three months ended March 31, 2022
Property, plant and equipment expenditures	22,161	60,639	55,361
Less: Net property dispositions	-	(7)	-
Net capital expenditures	22,161	60,632	55,361

#### 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)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Adjusted funds flow	<b>74,517</b>	74,994	77,660
Financing expenses on debt	<b>2,815</b>	2,971	6,094
EBITDA	<b>77,332</b>	77,965	83,754

#### 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)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Cash provided by operating activities	<b>66,644</b>	62,570	55,082
Change in operating non-cash working capital	<b>4,520</b>	7,565	19,675
Accretion of deferred financing charges	<b>(150)</b>	(149)	(246)
Funds from operations	<b>71,014</b>	69,986	74,511
Decommissioning obligations settled excluding government grants	<b>3,503</b>	5,008	3,149
Adjusted funds flow	<b>74,517</b>	74,994	77,660
Less: property, plant and equipment expenditures	<b>22,161</b>	60,639	55,361
Free adjusted funds flow	<b>52,356</b>	14,355	22,299

#### e) Net Operating Costs

Net operating costs equals operating expenses 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 expenses.

(\$ thousands, except per boe)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Operating expenses	<b>12,558</b>	11,115	11,359
Processing revenue	<b>(636)</b>	(616)	(830)
Net operating costs	<b>11,922</b>	10,499	10,529
Per boe	<b>4.02</b>	3.47	3.50

#### 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) Net Transportation Costs

Net transportation costs equals transportation expenses net of transportation revenue. Management views net transportation costs as an important measure to evaluate its operational performance. The most directly comparable IFRS measure for net transportation costs is transportation expenses. The calculation of Crew's net transportation costs can be seen in the section entitled "Net Transportation Costs" of this MD&A.

(\$ thousands, except per boe)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Transportation expenses	<b>11,288</b>	10,701	10,845
Transportation revenue	<b>(1,520)</b>	(1,485)	(1,453)



Net transportation costs	<b>9,768</b>	9,216	9,392
Per boe	<b>3.29</b>	3.05	3.12

#### h) Net Transportation Costs per boe

Net transportation costs per boe equals net transportation costs divided by production. Management views net transportation costs per boe as an important measure to evaluate its operational performance.

#### i) 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)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Petroleum and natural gas sales	<b>33.94</b>	45.25	43.39
Royalties	<b>(4.13)</b>	(6.09)	(2.78)
Realized gain (loss) on derivative financial instruments	<b>4.72</b>	(5.72)	(5.16)
Net operating costs	<b>(4.02)</b>	(3.47)	(3.50)
Net transportation costs	<b>(3.29)</b>	(3.05)	(3.12)
Operating netbacks	<b>27.22</b>	26.92	28.83
Production (boe/d)	<b>32,963</b>	32,893	33,399

#### j) Cash costs per boe

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

(\$/boe)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Net operating costs	<b>4.02</b>	3.47	3.50
Net transportation costs	<b>3.29</b>	3.05	3.12
General and administrative expenses	<b>1.14</b>	1.17	0.96
Financing expenses on debt	<b>0.95</b>	0.98	2.03
Cash costs	<b>9.40</b>	8.67	9.61

#### k) Financing expenses on debt per boe

Financing expenses 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 expenses on debt per boe as an important measure to evaluate its cost of debt financing.

(\$ thousands, except per boe)	<b>Three months ended March 31, 2023</b>	Three months ended December 31, 2022	Three months ended March 31, 2022
Interest on bank loan and other	<b>(92)</b>	4	1,040
Interest on senior notes	<b>2,757</b>	2,818	4,808
Accretion of deferred financing charges	<b>150</b>	149	246
Financing expenses on debt	<b>2,815</b>	2,971	6,094
Production (boe/d)	<b>32,963</b>	32,893	33,399
Financing expenses on debt per boe	<b>0.95</b>	0.98	2.03

#### Supplementary Financial Measures

“Adjusted fund flow margin” is comprised of adjusted funds flow divided by petroleum and natural gas sales.

"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 net 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 net 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 net 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 net 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 net 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:

	Light & Medium Crude Oil	Condensate	Natural Gas Liquids <sup>1</sup>	Conventional Natural Gas	Total (boe/d)
Q2 2023 Average	0%	13%	7%	80%	28,000-30,000
2023 Annual Average	2%	13%	7%	78%	30,000-32,000
2023 Exit Rate	6%	14%	7%	73%	32,000-34,000

Notes:

1) Excludes condensate volumes which have been reported separately.

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, Tower 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:

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<sup>8</sup> Crew's plans, goals and targets for 2024 and beyond remain preliminary in nature and do not, at this time, reflect a Board approved capital expenditures budget. Accordingly, undue reliance should not be placed on the same.

<sup>9</sup> 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.