Crew Energy Announces Q2 2024 Results Highlighted by a 67% Increase in Condensate Production Driving a 55% AFF Margin

August 7, 2024

CALGARY, Alberta, Aug. 07, 2024 (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 six month periods ended June 30, 2024. 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 sedarplus.ca.

HIGHLIGHTS

- **29,253 boe per day**[1] (176 mmcfe per day) average production in Q2/24 was near the midpoint of quarterly guidance of 28,500 to 30,500 boe per day, reflecting new production from five ultra-condensate rich ("UCR") wells brought on at the end of Q1/24, and partially offset by the impact of dry gas production being shut-in due to low natural gas pricing.
  - **6,131 bbls per day** of condensate production in Q2/24 marked a **67%** volume increase over Q2/23 and a 12% increase from Q1/24, with condensate representing **21%** of total production and **71%** of sales[7].
  - **123,800 mcf per day** of natural gas production in Q2/24 represented **71%** of total production and **19%** of sales, and is net of approximately 1,700 boe per day of predominantly dry gas that was shut-in to preserve value given low natural gas pricing.
  - **2,425 bbls per day** of natural gas liquids[5,6] ("ngl") production in Q2/24 represented **8%** of total production and **9%** of sales.
- **$41.4 million of Adjusted Funds Flow** ("AFF") [2] ($0.26 per fully diluted share[3]) was generated in Q2/24, exceeding market expectations and enhanced by higher condensate production.
  - **AFF[2] as a percentage** of petroleum and natural gas sales ("AFF Margin") [3] totaled **55%** in Q2/24.
  - **Operating netbacks**[4] averaged **$17.70 per boe**, while AFF per boe ("AFF Netback") [3] averaged $15.55 per boe in Q2/24.
- **$15.9 million of net capital expenditures**[4] were invested in Q2/24, lower than guidance for the quarter of $20 to $25 million, reflecting an efficient capital program which included $5.3 million allocated to drilling and completion activities, $7.9 million to facilities, equipment and pipelines and $2.7 million to land, seismic and other miscellaneous items.
  - During the quarter, five (5.0 net) UCR wells at the 7-18 pad were tied-in through permanent production facilities, preparation for six (6.0 net) Tower completions began, and Crew continued to advance both the West Septimus Gas Plant electrification project and the future Groundbirch plant project.
- **$25.6 million of free AFF**[4] was generated in Q2/24, largely directed to debt reduction in order to enhance long-term sustainability, with only 39% drawn on Crew's $250 million credit facility at period end.
- **$124.5 million in net debt**[2] at quarter-end, representing a 16% reduction from the prior quarter, with net debt to trailing last twelve-month ("LTM") EBITDA [3] of 0.6x. This balance sheet strength positions the Company to further advance our plan to enhance reserves and production, supported by strategic infrastructure investments.
- **$13.5 million in positive after-tax net income** ($0.08 per fully diluted share) was recorded during the quarter.
- **$10.68 cash costs per boe**[4] in Q2/24 increased 10% over Q2/23, primarily reflecting similar costs spread over lower production volumes, but remaining amongst the lowest in Crew's peer group.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Petroleum and natural gas sales	**75,824**	66,623	**160,260**	167,304
Cash provided by operating activities	**50,823**	69,952	**96,831**	136,596

Adjusted funds flow[2]	**41,413**	59,035	**92,610**	133,552
Per share[3] – basic	**0.26**	0.38	**0.59**	0.87
– diluted	**0.26**	0.36	**0.57**	0.83
Net income	**13,451**	33,729	**24,077**	75,083
Per share – basic	**0.09**	0.22	**0.15**	0.49
– diluted	**0.08**	0.21	**0.15**	0.46
Property, plant and equipment expenditures	**15,856**	37,657	**93,017**	59,818
Net property dispositions[4]	**-**	(966)	**-**	(996)
Net capital expenditures[4]	**15,856**	36,661	**93,017**	58,822

Capital Structure ($ thousands)	**As at Jun. 30, 2024**	As at Dec. 31, 2023
Other long-term obligations	**(18,223)**	(18,223)
Bank loan	**(97,760)**	(74,259)
Working capital deficiency[2]	**(8,535)**	(24,873)
Net debt[2]	**(124,518)**	(117,355)
Common shares outstanding (thousands)	**157,252**	156,560

OPERATIONAL	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Daily production				
Light crude oil (bbl/d)	**64**	74	**70**	73
Natural gas liquids (“ngl”) [5,6] (bbl/d)	**2,425**	2,342	**2,345**	2,348
Condensate (bbl/d)	**6,131**	3,671	**5,797**	4,119
Natural gas (mcf/d)	**123,800**	143,752	**127,016**	149,738
Total (boe/d @ 6:1)	**29,253**	30,046	**29,381**	31,496
Average realized[3]				
Light crude oil price ($/bbl)	**94.60**	83.30	**87.25**	83.91
Natural gas liquids price ($/bbl)	**29.56**	23.20	**30.86**	30.98
Condensate price ($/bbl)	**96.86**	88.72	**93.19**	94.02
Natural gas price ($/mcf)	**1.31**	2.41	**2.06**	3.06
Commodity price ($/boe)	**28.48**	24.37	**29.97**	29.35

	Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Netback ($/boe)				
Petroleum and natural gas sales	**28.48**	24.37	**29.97**	29.35
Royalties	**(2.29)**	(1.95)	**(2.52)**	(3.09)
Realized gain on derivative financial instruments	**0.03**	8.87	**0.25**	6.71
Net operating costs[4]	**(4.83)**	(4.43)	**(4.57)**	(4.21)
Net transportation costs[4]	**(3.69)**	(3.43)	**(3.74)**	(3.36)
Operating netback[4]	**17.70**	23.43	**19.39**	25.40
General and administrative (“G&A”)	**(1.15)**	(1.09)	**(1.17)**	(1.12)
Interest expenses on debt[4]	**(1.00)**	(0.73)	**(0.90)**	(0.85)
Adjusted funds flow netback[2]	**15.55**	21.61	**17.32**	23.43

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

[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] 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.

[4] 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 sedarplus.ca.

[5] 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.

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

[7] Does not include light crude oil volumes which totaled 64 bbl/d in Q2/24, and represented approximately 1% of total production and 1% of sales.

STAYING FOCUSED ON EXECUTION

Crew's continued efforts to focus on higher-value liquids volumes led to a 65% increase in condensate and light crude oil production in Q2/24 over the same period in 2023, which helped to offset the impact of lower natural gas prices and drive per share AFF[3] that was higher than market expectations. As outlined in Crew's Q1 2024 results release, the Company prudently elected to curtail production of predominantly dry natural gas in light of ongoing weakness in natural gas prices. Crew also took the opportunity to layer on additional hedges for 2025 designed to help mitigate volatility in future periods. The team's efficient execution supported capital expenditures that were approximately 29% under the midpoint of quarterly guidance, resulting in robust free AFF[4] and enabling the Company to reduce net debt[2] by 16% in Q2/24 over the previous quarter-end. Crew's disciplined capital allocation strategy continued to high-grade opportunities offering the greatest value creation potential, while ensuring our ability to advance long-term strategic infrastructure projects.

During the quarter, the Company continued to progress both the West Septimus Gas Plant electrification project, along with the Groundbirch facility project. Electrification construction at West Septimus is currently anticipated to commence in the fourth quarter of 2024, and once completed, is expected to reduce emissions while also projected to result in potential savings of approximately 10% on operating costs annually. This project demonstrates our commitment to balancing economic benefit with responsible resource development. We gratefully acknowledge the Province of British Columbia's CleanBC Industry Fund for their part in supporting this project.

Geographically and operationally, Crew is strategically positioned for value creation. With over 340 net sections of Montney rights in the liquids-rich gas, condensate and oil windows, access to multiple Canadian and US sales hubs, and being in close proximity to the Coastal GasLink Pipeline, we are uniquely positioned to capitalize on emerging opportunities. Additionally, the startup of Canada's first liquefied natural gas ("LNG") export terminal earlier in 2024 offers significant potential for growth and strengthens Crew's strategic advantage in the evolving natural gas supply and demand landscape.

OPERATIONS UPDATE

NE BC Montney (Greater Septimus)

- On the 7-18 pad, five (5.0 net) UCR wells were equipped and tied-in through permanent production facilities during the quarter, with average well performance of 65,924 bbls (680 bbls per day) of raw condensate over the first 97 days on production, flowing against average pressures in excess of 3,000 kPa.
- Condensate production was further supported in the period by the performance of four (4.0 net) UCR Montney B zone wells on the 1-24 pad that were equipped during Q1/24, which flowed at an average of 118,672 bbls (492 bbls per day) of raw condensate over the first 241 days.

Groundbirch

- The original three (3.0 net) wells on the 4-17 pad have completed lateral lengths averaging 3,000 meters and have produced an average of 4.56 bcf of natural gas over the first 900 days on production, exceeding Sproule's year-end 2023 proved plus probable ("2P") undeveloped Groundbirch type curve (the "Sproule Groundbirch Type Curve") by approximately 33% to date.
- The second phase of development at Crew's 4-17 pad has completed lateral lengths averaging 2,650 meters, featuring a three-zone development with five (5.0 net) wells that have averaged 4,370 mcf per day over the first 670 days on production and continue to exceed the Sproule Groundbirch Type Curve when normalized to 3,000 meters, with estimated average raw gas assignments (EUR) of 12 BCF per well[8].
- The Company has six (6.0 net) drilled wells on the 4-17 pad at Groundbirch, which are expected to remain in inventory for completion when natural gas prices improve. These wells were drilled during Q1/24 and have average lateral lengths of over 3,000 meters.

Other NE BC Montney

- The Company commenced preparations for the completion of six (6.0 net) Extended Reach Horizontal ("ERH") wells on the 15-28 pad at Tower during the quarter, which targeted light crude oil and featured lateral lengths of over 4,000 meters.
- Early in Q3/24, the six (6.0 net) ERH Tower wells, including four (4.0 net) Upper Montney "B" wells and two (2.0 net) Upper Montney "C" wells, have been completed and have just begun flowing back. Production is expected to be positively

impacted once these wells have cleaned up in the latter part of Q3.

[8] See “Advisories – Type Curves / Wells”.

RISK MANAGEMENT PROFILE

Crew uses hedging strategies to mitigate exposure to fluctuations in commodity prices and foreign exchange rates. This approach secures a stable base level of AFF[2] to support planned capital projects, while still allowing the Company to benefit from favorable spot commodity prices.

As of August 7, 2024, our hedging profile includes:

2024

- 2,500 GJ per day of AECO natural gas at an average price of C$2.88 per GJ, or C$3.51 per mcf using Crew's heat factor, for the remainder of 2024;
- 1,750 bbls per day of condensate at an average price of C$104.01 per bbl for 2nd half 2024;
- 500 bbls per day of WTI at C$109.25 per bbl for 2nd half 2024.

2025

- 7,500 GJ per day of AECO natural gas at an average price of C$3.08 per GJ, or C$3.76 per mcf using Crew's heat factor, for 2025;
- 15,000 GJ per day of AECO natural gas utilizing costless collars at $2.78 by $3.28 per GJ, for 2025;
- 750 bbls per day of condensate at an average price of C$101.10 per bbl for 1st half of 2025; and
- 250 bbls per day of condensate at an average price of C$100.00 per bbl for 2nd half of 2025.

PROTECTING OUR CREW

In Q2/24, Crew continued to prioritize safety, corporate citizenship and efficient operations and we are proud to confirm the Company had no recordable injuries or reportable spills during the period. Crew would like to thank our supervisors, employees and contractors for their diligent efforts to make the Company a safe place to work for everyone in our Crew.

Additional highlights for Q2/24 include:

- Over six years without a lost time injury, and more than two million consecutive person-hours of work have been completed without a recordable injury to the end of Q2/24, a corporate record.
- Maintained a comprehensive water management strategy that includes plans for stringent usage and responsible sourcing.
- The Company's 2024 summer student program is well underway with five university students working in various disciplines across the organization to gain valuable industry experience.
- Continued our “Crew Cares” program in Q2/24, with volunteering efforts focused on Ronald McDonald House and Made by Momma, and financial contributions to community support initiatives and not-for-profit organizations. Crew's financial contributions in the quarter were primarily aimed at supporting children's sports events, health and well-being in nearby communities, and local indigenous events.

OUTLOOK

The Company's previously announced annual net capital expenditure and production guidance remains unchanged and is outlined below.

- **2024 Guidance** – Continue to increase the proportion of higher-value condensate and light crude oil in the production mix, further enhancing AFF[2]. The success of this strategy was demonstrated in Q2/24, with Crew generating robust condensate volumes that represented the majority of sales and only one-fifth of total production. The Company will also continue to preserve the value of our natural gas assets by shutting-in production during periods of price weakness or by deferring development. The Company's previously announced 2024 capital program is designed to:
  - Allocate $165 to $185 million of planned net capital expenditures[4], to be invested as follows:
    - Drill 6.0 net wells and complete 11.0 net wells, targeting to have an inventory of 10.0 net wells drilled and uncompleted at year-end 2024.
    - Infrastructure spending that includes:
      - Progressing West Septimus electrification.

        - Front-end engineering and design (“FEED”) work along with site preparation at the future Groundbirch plant.
- Generate average 2024 production forecasted at 29,000 to 31,000 boe per day[1].
    - Expand annual condensate and light oil production by more than 20% over 2023.
- Continue to manage natural gas production to balance the optimization of AFF[2] and preservation of value, by curtailing approximately 1,700 boe per day of natural gas production through Q3/24.
- Maintain the Company's current strong financial position with targeted net debt [2] to LTM EBITDA[3] of <1.0x (Q2/24 was 0.6x).
- Advance the planned electrification of the West Septimus gas plant.
    - Increase plant capacity by 20 mmcf per day to total 140 mmcf per day in 2025.
    - Reduce operating costs by more than 10% annually.
    - Target reductions in CO_2 emissions and potentially generate carbon credits under BC's Output-Based Pricing System.
- Position the Company to thrive and grow in an improved natural gas price environment.

- **Q3 Capital Program** – Our Q3/24 capital program is focused on the advancement of our light oil assets at Tower and continued development of our condensate-rich assets at Greater Septimus, and includes:
    - Allocation of $60 to $70 million of net capital expenditures[4].
    - Ongoing expenditures on electrification at the West Septimus gas plant.
    - Completion and tie-in of six (6.0 net) wells in the Tower area.
    - Generate estimated average Q3/24 production of 27,000 to 29,000 boe per day[1], assuming approximately 1,700 boe per day remains curtailed for the quarter.

- **Wildfire monitoring** – At this time, Crew's operations have remained unaffected by wildfires in northeast BC. Our team continues to actively monitor fire risks in the areas surrounding our operations to ensure the safety of our people and operations and would be ready to mobilize should circumstances change.

The following table sets forth Crew’s annual guidance that is consistent with the guidance outlined in the Company’s Q1/24 press release:

	2024 Guidance and Assumptions[9]
Net capital expenditures[4] ($Millions)	**165–185**
Annual average production[1] (boe/d)	**29,000–31,000**
Natural gas weighting	**72-74%**
Royalties	**9–11%**
Net operating costs[4] ($ per boe)	**$4.50–$5.00**
Net transportation costs[4] ($ per boe)	**$3.50–$4.00**
G&A ($ per boe)	**$1.00–$1.20**
Effective interest rate on long-term debt	**8.0–10.0%**

Crew remains focused on advancing our strategic vision to unlock the value of our Montney assets and intensify efforts to expand condensate production. With the continued support and dedication of all employees and contractors, along with the unwavering commitment of our Board of Directors, we look forward to building on our past success and driving sustainable future growth for the Company and our shareholders.

[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.

ABOUT CREW

Crew is a Canadian liquids-rich natural gas producer committed to pursuing sustainable per share growth through financially responsible resource development. The Company’s operations are focused in northeast British Columbia and include a large contiguous land base with a vast Montney resource. Crew's liquids-rich natural gas areas of Septimus and West Septimus are complemented by the inter-connected vast dry-gas resource at Groundbirch, offering significant development potential over the long-term. The Company has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. Crew adheres to safe and environmentally responsible operations while remaining committed to sound environmental, social and governance practices which underpin the Company’s fundamental business tenets. Crew’s common shares are listed for trading on the Toronto Stock Exchange (“TSX”) under the symbol “CR” and on the OTCQB in the US under ticker “CWEGF”.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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", "goals" 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 near and longer range strategic plan (the "Strategic Plan") and underlying strategy, associated plans, goals and targets, all as more particularly outlined and described in this press release; our 2024 annual capital budget range (the "2024 Budget"), associated drilling, completion and infrastructure plans, the anticipated timing thereof, and all associated strategies, initiatives, goals and targets, along with all forecasts, guidance and underlying assumptions and sensitivities related to the 2024 Budget, along with Q3 capital plans and associated guidance, as outlined in the "Outlook" section in this press release; production estimates and targets under the 2024 Budget and balance of the longer range plan including expected curtailed volumes, infrastructure plans and anticipated benefits associated therewith as outlined in this press release including, without limitation, the planned expansion and electrification of the West Septimus gas plant and anticipated associated metrics estimates, economic and other benefits thereof, expectations in regards to the extent of provincial and federal government grants, credits and financial incentives related thereto, the planned construction of the Groundbirch Plant and anticipated benefits thereof, anticipated timing and assumed receipt of all regulatory approvals required in connection with our infrastructure plans and our ability to secure financing for these plans as may be required, from time to time, and the potential costs associated therewith; commodity price expectations and assumptions; Crew's commodity risk management programs and future hedging plans; marketing and transportation and processing plans and requirements; the potential for coastal liquids egress via the CN rail line; estimates of processing capacity and requirements; anticipated reductions in GHG emissions and decommissioning obligations; future liquidity and financial capacity and ability to finance our Strategic Plan; potential hedging opportunities and plans related thereto; future results from operations and targeted operating and leverage metrics; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition, disposition and infrastructures activities (including our capital investment model and associated drilling and completion plans, associated receipt of all required regulatory permits for our Strategic Plan, development timing and cost estimates); the potential to serve a Canadian LNG market including the anticipated start-up of LNG Canada in 2025 and the anticipated benefits thereof to the Corporation both strategically and economically; 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; and the expected positive attributes discussed herein attributable to our Strategic Plan.

The internal projections, expectations, or beliefs underlying our Board approved 2024 Budget and associated guidance, as well as management's strategy, and associated plans, goals and targets in respect of the balance of its strategic plan, are subject to change in light of, without limitation, the continuing impact of the Russia/Ukraine conflict, war in the Middle East 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 and as at the date of this press release based upon the key assumptions outlined herein. 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 2024, and more particularly its internal model, goals and targets for 2025 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 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 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 the Russia/Ukraine conflict and war in the Middle East; 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 and identified drilling inventory; 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 and all associated guidance, 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 Strategic Plan

Risk factors that could materially impact successful execution and actual results of the Company's strategic 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 West Septimus and Groundbirch plants;
- receipt of high-value regulatory permits required to launch development under the strategic plan;
- the Company's ability to secure financing for the Groundbirch plant; and
- those additional risk factors set forth in the Company's most recently filed MD&A and Annual Information Form 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 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.

Type Curves/Wells

The Groundbirch type curves referenced herein reflect the average per well proved plus probable undeveloped raw gas assignments (EUR) for Crew's area of operations, as derived from the Company's year-end independent reserve evaluations prepared by Sproule in accordance with the definitions and standards contained in the COGE Handbook. Unless otherwise stated, the type wells are based upon all Crew producing wells in the area as well as non-Crew wells determined by the independent evaluator to be analogous for purposes of the reserve assignments. There is no guarantee that Crew will achieve the estimated or similar results derived therefrom and therefore undue reliance should not be placed on them. Such information has been prepared by Management, where noted, for purposes of making capital investment decisions and for internal budget preparation only.

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

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 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.

c) EBITDA

EBITDA is calculated as consolidated net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortization, adjusted for certain non-cash, extraordinary and non-recurring items primarily relating to unrealized gains and losses on financial instruments and impairment losses. The Company considers this metric as key measures that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. The most directly comparable IFRS measure to EBITDA is cash provided by operating activities.

($ thousands)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Adjusted funds flow	**41,413**	51,197	59,035	**92,610**	133,552
Interest expense on debt	**2,673**	2,134	2,003	**4,807**	4,818
EBITDA	**44,086**	53,331	61,038	**97,417**	138,370

d) Free Adjusted Funds Flow

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

($ thousands)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Cash provided by operating activities	**50,823**	46,008	69,952	**96,831**	136,596
Change in operating non-cash working capital	**(10,779)**	3,163	(12,154)	**(7,616)**	(7,634)
Accretion of deferred financing costs	**-**	-	(49)	**-**	(199)
Funds from operations	**40,044**	49,171	57,749	**89,215**	128,763
Decommissioning obligations settled excluding government grants	**1,369**	2,026	1,286	**3,395**	4,789
Adjusted funds flow	**41,413**	51,197	59,035	**92,610**	133,552
Less: property, plant and equipment expenditures	**15,856**	77,161	37,657	**93,017**	59,818
Free adjusted funds flow	**25,557**	(25,964)	21,378	**(407)**	73,734

e) Net Operating Costs

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

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Operating expenses	**13,375**	12,130	12,712	**25,505**	25,270
Processing revenue	**(520)**	(552)	(610)	**(1,072)**	(1,246)
Net operating costs	**12,855**	11,578	12,102	**24,433**	24,024
Per boe	**4.83**	4.31	4.43	**4.57**	4.21

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 costs 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.

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Transportation expenses	**12,451**	11,626	10,967	**24,077**	22,255
Transportation revenue	**(2,634)**	(1,437)	(1,576)	**(4,071)**	(3,096)
Net transportation costs	**9,817**	10,189	9,391	**20,006**	19,159
Per boe	**3.69**	3.79	3.43	**3.74**	3.36

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.

j) Cash costs per boe

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

($/boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Net operating costs	**4.83**	4.31	4.43	**4.57**	4.21
Net transportation costs	**3.69**	3.79	3.43	**3.74**	3.36
General and administrative expenses	**1.15**	1.18	1.09	**1.17**	1.12
Interest expense on debt	**1.00**	0.79	0.73	**0.90**	0.85
Cash costs	**10.68**	10.07	9.68	**10.38**	9.54

k) Interest expense on debt per boe

Interest expense 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 interest expense on debt per boe as an important measure to evaluate its cost of debt financing.

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Interest on bank loan and other	**2,673**	2,134	1,127	**4,807**	1,035
Interest on senior notes	**-**	-	827	**-**	3,584
Accretion of deferred financing charges	**-**	-	49	**-**	199
Interest expense on debt	**2,673**	2,134	2,003	**4,807**	4,818
Production (boe/d)	**29,253**	29,510	30,046	**29,381**	31,496
Interest expense on debt per boe	**1.00**	0.79	0.73	**0.90**	0.85

Supplementary Financial Measures

"Adjusted funds 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" or **"AFF netback"** 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[1]	Conventional Natural Gas	Total (boe/d)
Q3 2024 Average	5%	17%	8%	70%	27,000–29,000
2024 Annual Average	3%	17%	8%	72%	29,000–31,000

Notes:

1) Excludes condensate volumes which have been reported separately.