



Crew Energy Inc. Announces Strategic Transaction With Tourmaline Oil Corp.

August 12, 2024

- *Transaction provides shareholders with 70% premium per share over the 20-day volume weighted average price (VWAP)*
- *Share-for-share acquisition structure affords ownership in Canada's largest natural gas producer that is delivering both return of capital and growth*
- *Crew shareholders maintain exposure to its deep asset inventory and benefit from a potential acceleration of the inherent growth opportunity over the long-term*
- *Tourmaline brings scale and the financial capabilities to prudently pursue Crew's growth opportunities at an expedited pace, complementing its own attractive internal development*

CALGARY, Alberta, Aug. 12, 2024 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR; OTCQB: CWEGF) ("**Crew**" or the "**Company**") is pleased to announce that, with the unanimous support of its Board of Directors (the "**Crew Board**") and endorsement from Crew's largest institutional shareholder, the Company has entered into a definitive arrangement agreement (the "**Agreement**") with Tourmaline Oil Corp. ("**Tourmaline**") (TSX: TOU) pursuant to which Tourmaline has agreed to acquire all of the issued and outstanding common shares of Crew ("**Crew Shares**") in an all-stock transaction (the "**Transaction**"). The Transaction is valued at approximately \$6.69 per Crew Share (the "**Purchase Price**") or \$1.3 billion, including Crew's net debt, which is estimated to be \$240 million (including closing costs) as at the targeted closing date of October 1, 2024. Based on the closing prices of common shares of Tourmaline ("**Tourmaline Shares**") and Crew Shares at the close of markets on August 9, 2024, the Purchase Price represents a premium of approximately 72%.

Under the terms of the Agreement, holders of Crew Shares ("**Crew Shareholders**") will receive 0.114802 of a Tourmaline Share in exchange for each one (1) Crew Share held (the "**Exchange Ratio**"). The proposed Transaction is to be completed by way of a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta) and, subject to satisfaction of conditions typical for a transaction of this nature, is expected to close on or about October 1, 2024.

"We are excited about this transformative transaction with Tourmaline, which reflects the successful culmination of Crew's focused efforts to delineate and grow our high-quality Montney asset base, while providing Crew Shareholders continued exposure to the assets, participation in a dividend and the ability to benefit from future growth and value creation," said Dale Shwed, President and CEO of Crew. "As Canada's leading natural gas producer and a well-capitalized, investment-grade organization, Tourmaline has a proven track record of developing large-scale and impactful resource projects which will now include Crew's assets in Groundbirch and the Greater Septimus area, with the financial capacity to do so on an accelerated timeframe."

STRATEGIC BENEFITS FOR CREW SHAREHOLDERS

Crew has assembled a high-quality asset base in the B.C. Montney fairway, characterized by a deep inventory of economic drilling locations spanning across the oil, liquids-rich natural gas and dry natural gas windows with connectivity to ample pipeline egress capacity, enabling delivery of significant growth and long-term free cash flow under a supportive natural gas pricing environment. Navigating the weak short-term natural gas price landscape, the Company established a plan to grow condensate production and expand its infrastructure capacity, while preserving the upside potential of its resource base until the expected strengthening of gas prices could materialize.

Crew initiated an internal strategic review in May 2024 and after evaluating several options, including continuing with Crew's previously announced strategic plan on a stand-alone basis, commenced a confidential process to explore potential strategic opportunities to accelerate and maximize shareholder value (the "**Process**"). The Process was approved by the Crew Board and supervised by a special committee comprised solely of independent members of the Crew Board (the "**Special Committee**"). Following a comprehensive review of Crew's current position and proposals received in connection with the Process, the Crew Board, upon recommendation of the Special Committee, has determined that the Transaction is in the best interests of Crew and the Crew Shareholders. Highlights of the Transaction, and the anticipated benefits to Crew Shareholders associated with the Transaction, include, but are not limited to, the following:

- **Significant Premium and Attractive Value:**
 - The Exchange Ratio implies a value of approximately \$6.73 per Crew Share based on the 20-day volume weighted average trading price of Tourmaline Shares of \$58.66 on August 9, 2024, resulting in a premium of approximately 70% to the 20-day volume weighted average trading price of Crew Shares of \$3.96 on August 9, 2024.
 - The Purchase Price aligns closely with the highest closing price achieved on Crew Shares in the last seven years.
 - The meaningful premium attributes immediate value for Crew's significant inventory of future drilling locations and the inherent value in the Company's underlying Montney resource, which were not being reflected in Crew's existing market valuation.

- **Continued Ownership Stake in Sizeable Producer with Successful Track Record of Value Creation:**

- As a share-for-share exchange, the Transaction provides Crew Shareholders with ownership in Tourmaline, Canada's largest natural gas producer offering an attractive total return to shareholders through a return of capital plus growth model.
- Ownership in Tourmaline offers enhanced scale, asset diversification, financial market liquidity and a long-term sustainable return of capital framework that is underpinned by an existing deep portfolio of high-quality drilling inventory, along with a low-cost owned and operated infrastructure platform.
- Tourmaline has a demonstrated track record of successfully delivering significant free cash flow from its operations through the commodity cycle, maintaining balance sheet flexibility while delivering organic growth and returning capital to shareholders. Crew's assets are expected to further bolster Tourmaline's ability to deliver strong free cash flow over the long-term.
- The Transaction is structured on a tax-efficient basis for Crew Shareholders.

- **Introduction of an Attractive Dividend:**

- In addition to receiving a current annualized base dividend of \$1.32 per Tourmaline Share, Crew Shareholders are anticipated to also participate in any special dividends paid by Tourmaline, should they be declared.
- To date, Tourmaline has declared total special dividends of \$14.75 per share, inclusive of the inaugural special dividend paid in October 2020. Tourmaline's dividend per share has grown consistently since its initiation in 2018 at a compound annual growth rate of approximately 23% and has never been reduced.

- **Continued Upside Participation with Ongoing Exposure to Gas Price Tailwinds:**

- Crew Shareholders will retain exposure to the Company's deep asset inventory and benefit from the potential acceleration of the identified growth opportunities in its assets through Tourmaline's Shares.
- In addition to prudently pursuing its own highly attractive internal development opportunities, Tourmaline has the scale and financial capacity to expedite resource development of Crew's growth opportunities at Groundbirch and Greater Septimus, and upon completion of the Transaction, Crew Shareholders will continue to benefit from these assets over the long-term.
- Ownership in Tourmaline offers Crew Shareholders immediate exposure to premium priced gas markets, including California and offshore LNG, through Tourmaline's active gas marketing strategy and investment grade credit rating. Crew Shareholders also continue to benefit from the positive outlook on gas pricing driven by near-term start-up of west coast LNG export projects in addition to other macro tailwinds for natural gas pricing in North America.

- **Top Tier Management Team and Board with a Proven Track Record of Success:**

- Tourmaline's management team have proven to be strong stewards of capital, providing shareholders with a total return of over 300% since its initial public offering in 2010, which translates into a compound annual total return of over 10%.
- In addition, Tourmaline's management and its board of directors are highly aligned with all Tourmaline shareholders through their significant equity ownership.

RECOMMENDATION OF THE CREW BOARD OF DIRECTORS

The Crew Board, based in part upon the unanimous recommendation of the Special Committee and after seeking and carefully considering advice from financial and legal advisors, has unanimously determined that the Transaction is in the best interests of Crew and the Crew Shareholders, the consideration to be received by Crew Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Crew Shareholders and has unanimously recommended that Crew Shareholders vote in favour of the resolutions approving the Transaction and related matters at the Crew Meeting (as defined below).

TRANSACTION DETAILS AND CREW SHAREHOLDER SUPPORT

Crew and Tourmaline have entered into the Agreement to effect the Transaction by way of a plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the Transaction, Tourmaline will acquire all of the issued and outstanding Crew Shares in exchange for Tourmaline Shares. Crew Shareholders will receive 0.114802 of a Tourmaline Share for each one (1) Crew Share held.

The Transaction requires approval by at least 66 2/3% of the votes cast by Crew Shareholders present in person or represented by proxy at a special meeting of Crew Shareholders to be called to consider the Transaction (the "**Crew Meeting**") and a majority of the votes cast by Crew Shareholders after excluding the votes cast by those persons whose votes may not be included under *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions*. The Crew Meeting is expected to be held on or about October 1, 2024.

The completion of the Transaction is subject to customary closing conditions including, without limitation, receipt of court approval and customary regulatory and stock exchange approvals, including under the *Competition Act* (Canada).

All of the directors and executive officers of Crew, as well as Crew's largest institutional shareholder, Equinox Partners, have entered into voting agreements pursuant to which they have agreed, subject to the terms thereof, to vote their Crew Shares, representing in aggregate 32% of the issued

and outstanding Crew Shares, in favour of the Transaction.

The Agreement includes representations and warranties, conditions and covenants of the parties typical for transactions of this nature including a non-solicitation covenant on the part of Crew, a right of Tourmaline to match any superior proposal and a fee payable by Crew if the Arrangement Agreement is terminated in certain circumstances.

Further details with respect to the Arrangement will be included in the information circular to be mailed to the Crew Shareholders in connection with the Crew Meeting. A copy of the Agreement and the information circular will be filed on Crew's SEDAR+ profile and will be available for viewing in due course at www.sedarplus.ca.

FINANCIAL ADVISORS AND FAIRNESS OPINIONS

TD Securities Inc. ("**TD**") is acting as Exclusive Financial Advisor to the Company and the Crew Board. TD has provided a verbal opinion ("**TD Fairness Opinion**") to the Crew Board to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Crew Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Crew Shareholders.

ATB Securities Inc. ("**ATB**") is acting as Financial Advisor to the Special Committee of the Crew Board. ATB has provided a verbal opinion to the Special Committee ("**ATB Fairness Opinion**") to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Crew Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Crew Shareholders.

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**".

ABOUT TOURMALINE

Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest emission and lowest-cost natural gas in North America. Tourmaline is an investment grade exploration and production company providing strong and predictable operating and financial performance through the development of three core areas in the Western Canadian Sedimentary Basin. With its existing large reserve base, decades-long drilling inventory, relentless focus on execution and cost management, and industry-leading environmental performance, Tourmaline provides shareholders an excellent return on capital, and an attractive source of income through our base dividend and surplus free cash flow distribution strategies. Tourmaline's common shares are listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "**TOU**".

FOR DETAILED INFORMATION, PLEASE CONTACT:

Dale Shwed, President and CEO

Phone: (403) 266-2088

John Leach, Executive Vice President and CFO

Email: investor@crewenergy.com

Currency

All amounts in this press release are stated in Canadian dollars (C\$) unless otherwise specified.

Forward Looking Information and Statements

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation, that involve known and unknown risks, assumptions, uncertainties and other factors. Undue reliance should not be placed on any forward-looking statements. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "forecast", "intends", "may", "believes", "could", "should", "would", "plans", "proposed", "potential", "will", "target", "approximate", "continue", "might", "possible", "predicts", "projects" and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release include but are not limited to: statements about the implied value of the Transaction and the Purchase Price which are subject to change with the trading values of each of the Crew Shares and Tourmaline Shares prior to closing of the Transaction; Crew's net debt estimated to be \$240 million (including closing costs) as of October 1, 2024; the strategic rationale for, and anticipated benefits from, the Transaction, all as more particularly set forth under the heading "Strategic Benefits for Crew Shareholders" in this press release; Tourmaline's ability to continue its attractive return of capital framework combining modest production growth with meaningful base and special dividends; Tourmaline's ability to potentially accelerate the timeframe for developing Crew's resource projects including within the Groundbirch and greater Septimus areas; Tourmaline's ability to deliver strong free cash flow over the longer term; that the Transaction is anticipated to close on or about October 1, 2024; the timing of the Crew Meeting; and all statements about strategy, plans, objectives, priorities, dividends, free cash-flow and commodity prices.

This press release also contains forward-looking statements concerning the anticipated completion of the Transaction and the anticipated timing thereof. Crew has provided these anticipated times in reliance on certain assumptions that it believes are reasonable, including assumptions as to time required to prepare meeting materials for mailing, the timing of receipt of the necessary regulatory, Crew Shareholder and Court approvals and the satisfaction of, and the time necessary to satisfy, the conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory, Crew Shareholder or Court approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. In addition, there are no assurances the Transaction will be completed. Accordingly, readers should not put undue reliance on the forward-looking statements contained in this press release

concerning the completion of the Transaction or the timing thereof.

Such statements reflect the current views of Crew, with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include but are not limited to: that the Transaction is not completed on the timing anticipated or at all; the occurrence of any event, change or other circumstances that could give rise to the termination of the Agreement; the inability to complete the Transaction due to the failure to obtain approval of Crew Shareholders, the court, regulatory bodies or stock exchanges, as required; the risk that Tourmaline may not be able to realize the anticipated benefits of the Transaction; risks related to capital market liquidity and Tourmaline's long-term return of capital framework; risks related to the retention or recruitment, or changes required in, officers, key employees or directors following completion of the Transaction; geopolitical risks and changes in applicable laws or regulations; the possibility that Crew and/or Tourmaline may be adversely affected by other economic, business, and/or competitive factors; the impact of general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and gas industry including abandonment and reclamation programs; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; ability to access sufficient capital from internal and external sources; litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on resources; general economic and business conditions; risks related to the oil and natural gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; risks related to debt agreements and access to capital; inflation; risks of war, hostilities, civil insurrection, pandemics and epidemics, and general political and economic instability; severe weather conditions including wildfires and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the application of such changes to Crew and/or Tourmaline's future business; availability of adequate levels of insurance; and difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

With respect to forward-looking statements contained in this press release, Crew has made assumptions regarding, among other things: the satisfaction of the conditions to completion of the Transaction, including the timely receipt of required Crew Shareholder, court, regulatory and stock exchange approvals, as required; the ability of Tourmaline to realize benefits and efficiencies with respect to the Transaction; future capital expenditure levels; future oil and natural gas prices; future oil and natural gas production levels; future currency exchange rates and interest rates; ability to obtain equipment and services in a timely manner to carry out development activities; ability to market oil and natural gas successfully to current and new customers; the impact of competition; the general stability of the economic and political environments in which Crew and Tourmaline operate; the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; that Crew and/or Tourmaline will have sufficient cash flow, debt or equity sources or other financial resources required to fund the expenses in connection with the Transaction, capital and operating expenditures and other requirements as needed; that Tourmaline's conduct and results of operations will be consistent with Crew's expectations; that Tourmaline will have the ability to develop its oil and gas properties in the manner currently contemplated; the estimates of production volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; the ability to add production and reserves through development and exploration activities; and other matters. Although Crew believes that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list is not an exhaustive list of all assumptions which have been considered.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide Crew Shareholders with a more complete perspective on Crew's and Tourmaline's current and future operations and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits may be derived therefrom.

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Crew's expectations regarding Tourmaline's base and special dividends, free funds flow, payout ratio, capital investments, 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 Tourmaline and the resulting financial results will likely vary from the amounts set forth in this presentation 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 Tourmaline'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 statements contained in this press release speak only as of the date of this press release. Accordingly, forward-looking statements should not be relied upon as representing Crew's views as of any subsequent date, and except as expressly required by applicable securities laws, Crew does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.