



First Quarter ending March 31, 2021



Crew Energy Inc. (TSX: CR) (“Crew” or the “Company”) is pleased to announce our operating and financial results for the three-month period ended March 31, 2021.

“Crew entered 2021 primed to capitalize on structural improvements in crude oil and natural gas pricing with a pivotal two-year plan which is designed to increase the pace of development of our world-class Montney resource, while optimizing production and infrastructure utilization. This is expected to enhance margins, improve leverage metrics and generate shareholder value,” said Dale Shwed, President and CEO of Crew. “In Q1 2021, we saw the initial benefits of our two-year plan, with meaningful growth across an array of financial and operating metrics both year-over-year and quarter-over-quarter, including a 124% increase in revenue, 174% increase in Adjusted Funds Flow¹ (“AFF”) and a 10% increase in production volumes compared to Q1 2020.”

Q1 2021 OPERATING & FINANCIAL HIGHLIGHTS

- **26,258 boe per day²** (157.5 mmmcf per day) average production in Q1/21, a 10% increase over Q1/20 and a 21% increase from the preceding quarter, reflecting the operational success of Crew’s drilling and completions program.
- **\$34.0 million of AFF¹** (\$0.22 per fully diluted share) generated in the quarter, a 174% increase over Q1/20 and 118% higher than the preceding quarter, due largely to increased production, lower costs and stronger commodity pricing, particularly for natural gas.
- **\$4.65 per boe net operating costs¹** in Q1/21, representing a 19% reduction compared to Q1/20, and a 12% reduction from the prior quarter, reflecting higher production leading to operational efficiencies. Q1/21 general and administrative (“G&A”) costs of \$0.93 per boe declined 19% and 28% compared to Q1/20 and Q4/20, respectively.
- **\$50.1 million of net capital expenditures¹** in Q1/21, at the low end of the previously announced guidance range of \$50 to \$53 million, as drilling and completion efficiencies improved in the quarter. The majority of expenditures were directed towards the continued development of our world-class Montney resource play, with \$42.3 million invested in drilling and completions activities, \$5.6 million directed to equipment and pipelines, and \$2.2 million on land, seismic, recompletions and other miscellaneous amounts.
- **11 natural gas wells** were drilled in Q1/21, while six natural gas wells were completed, and seven previously completed natural gas wells were tied in through permanent facilities. In Q1/21, Crew drilled two wells over 6,200 meters in total length, the longest wells drilled in the Company’s history.
- **4 ultra-condensate rich wells** were completed on Crew’s 3-32 pad with encouraging initial first month average per well sales rates of 497 bbls per day of condensate, 2.2 mmmcf per day of conventional natural gas and 99 bbls per day of ngl. These wells had an average condensate to gas ratio of 226 bbls per mmmcf over the first month of production.
- **\$375.7 million of net debt¹** at March 31, 2021, with no near-term maturities or repayment requirements on the \$300 million of senior notes termed out until 2024, and 38% drawn on our \$150 million credit facility.

¹ Non-IFRS 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 Measures” contained within this report.

² See table in the Advisories for production breakdown by product type as defined in NI 51-101.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL	Three months ended	Three months ended
(\$ thousands, except per share amounts)	Mar. 31, 2021	Mar. 31, 2020
Petroleum and natural gas sales	85,517	38,094
Adjusted funds flow ¹	33,995	12,400
Per share – basic	0.23	0.08
– diluted	0.22	0.08
Net income / (loss)	1,353	(191,909)
Per share – basic	0.01	(1.27)
– diluted	0.01	(1.27)
Exploration and development expenditures	50,090	18,029
Property acquisitions (net of dispositions)	-	(34,940)
Net capital expenditures	50,090	(16,911)
	As at	As at
	Mar. 31, 2021	Dec. 31, 2020
Working capital deficiency ¹	21,739	24,361
Bank loan	56,851	35,994
	78,590	60,355
Senior Unsecured Notes	297,097	296,851
Total net debt ¹	375,687	357,206
Common shares outstanding (thousands)	156,576	156,449

Notes:

⁽¹⁾ Non-IFRS 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 Measures” contained within this report.

Operations	Three months ended	Three months ended
	Mar. 31, 2021	Mar. 31, 2020
Daily production		
Light crude oil (bbl/d) ¹	155	215
Heavy crude oil (bbl/d)	1,055	1,527
Natural gas liquids (“ngl”) ² (bbl/d)	2,401	2,288
Condensate (bbl/d)	2,708	3,340
Conventional natural gas (mcf/d)	119,635	99,144
Total (boe/d @ 6:1)	26,258	23,894
Average prices ³		
Light crude oil (\$/bbl)	63.97	44.81
Heavy crude oil (\$/bbl)	52.69	20.06
Natural gas liquids (\$/bbl)	13.56	4.86
Condensate (\$/bbl)	69.75	54.83
Conventional natural gas (\$/mcf)	5.54	1.86
Oil equivalent (\$/boe)	36.19	17.52

Notes:

⁽¹⁾ The Company does not have any medium crude oil as defined by NI 51-101.

⁽²⁾ Throughout this report, natural gas liquids (“ngl”) 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.

⁽³⁾ Average prices are before deduction of transportation costs and do not include realized gains and losses on derivative financial instruments.

	Three months ended Mar. 31, 2021	Three months ended Mar. 31, 2020
Netback (\$/boe)		
Petroleum and natural gas sales	36.19	17.52
Royalties	(2.21)	(1.00)
Realized commodity hedging gain	(7.34)	1.75
Marketing income ¹	-	0.11
Net operating costs ^{2,3}	(4.65)	(5.74)
Transportation costs	(4.17)	(3.21)
Operating netback ³	17.82	9.43
G&A	(0.93)	(1.15)
Financing costs on long-term debt	(2.50)	(2.58)
Adjusted funds flow ³	14.39	5.70

Notes:

⁽¹⁾ Marketing income was recognized from the monetization of forward physical sales contracts offset by the cost of committed natural gas transportation that was not available during the period.

⁽²⁾ Net operating costs are calculated as gross operating costs less processing revenue.

⁽³⁾ Non-IFRS 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 Measures" contained within this report.

SUSTAINABILITY AND ESG INITIATIVES

Crew's environmental, social and governance ("ESG") initiatives were a prime focus in Q1/21 as we continued our unwavering commitment to safely and to responsibly operate in the communities in which we work. The Company expects to release our inaugural ESG report to stakeholders in mid-2021, while we continue to advance our sustainability goals:

- The Company continues to reduce its surface footprint by developing its resource through the drilling of longer Extended Reach Horizontal ("ERH") wells. These longer wells ultimately reduce the number of wells needed to deplete a reservoir, reduce future development capital and minimize pipeline requirements. Additionally, by concentrating the placement of wells on drilling pads, surface impact is minimized to one area as exhibited on our Greater Septimus 1-8 pad. Recent wells have exceeded 4,000 meters in lateral length, allowing access to resource that would otherwise have been challenging and costly to access due to difficult terrain and environmental sensitivities.
- Crew has upheld an exemplary safety record, featuring no employee or contractor lost time injuries for over 1,000 consecutive days as of Q1 2021.
- Crew successfully participated in the provincially funded dormant well programs, having abandoned 41 wells and initiated 78 site assessments to date in 2021. Crew expects to abandon approximately 16% of the Company's idle wells in 2021.
- Crew continues to leverage the use of next generation, spoolable surface pipelines for produced water transfer, which removes trucks from the road, reduces CO₂ emissions, and affirms Crew's commitment to improving efficiencies and reducing our environmental impact. In addition to meaningful reductions in emissions, the corresponding removal of vehicles from the road also significantly reduces the risk of accidents and spills, further contributing to improved safety and environmental performance.
- Through Q1/21, Crew's strong regulatory compliance record remained consistent with 2019 and 2020, achieving a 96% compliance rating with 57 regulatory inspections completed across the three provinces in which we operate.

OPERATIONS & AREA OVERVIEW

NE BC Montney

	Q1	Q4	Q3	Q2	Q1
Production & Drilling	2021	2020	2020	2020	2020
Average daily production (boe/d) ¹	23,130	18,089	17,119	18,565	19,894
Wells drilled	11	6	6	0	1
Wells completed	6	7	0	1	0

Note:

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

Operating Netback	Q1	Q4	Q3	Q2	Q1
(\$ per boe)	2021	2020	2020	2020	2020
Petroleum and natural gas sales	36.15	20.41	15.73	11.97	17.61
Royalties	(2.07)	(0.89)	(0.42)	(0.36)	(0.86)
Realized commodity hedge (loss) gain	(7.26)	1.45	2.18	3.06	1.44
Marketing (loss) income ¹	-	(0.05)	(0.33)	(0.31)	0.13
Net operating costs ^{2,3}	(3.84)	(4.33)	(4.71)	(4.81)	(4.52)
Transportation costs	(4.25)	(4.33)	(3.86)	(3.37)	(2.99)
Operating netback ³	18.73	12.26	8.59	6.18	10.81

Notes:

(1) Marketing income was recognized from the monetization of forward physical sales contracts offset by the cost of committed natural gas transportation that was not available during the period.

(2) Net operating costs are calculated as gross operating costs less processing revenue.

(3) Non-IFRS 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 Measures" contained within this report.

- Production at Greater Septimus totaled 23,130 boe per day in Q1/21, a 28% increase compared to the prior quarter and a 16% increase year-over-year.
- Despite extreme cold weather in February, Crew effectively executed our first quarter drilling and completions program, with 11 wells drilled and six Montney wells completed. Four wells were drilled for land tenure extensions with three wells drilled at Groundbirch, which are expected to be completed in the next year, and one well drilled at Attachie, which is not expected to be completed until a development plan for the area has been established. Excluding the Attachie well, the Company now has an inventory of 10 drilled and uncompleted wells and has recently paused its drilling program through spring breakup.
- At Crew's 3-32 pad, four wells were completed in the ultra-condensate rich Upper Montney "B" zone with encouraging initial first month per well average sales rates of 497 bbls per day of condensate, 2.2 mmcf per day of conventional natural gas and 99 bbls per day of ngl. These wells had an average condensate to gas ratio of 226 bbls per mmcf over the first month of production. The 3-32 pad wells were tied into permanent facilities in mid April.
- At the 3-32 pad, Crew's commitment to improving efficiencies and reducing emissions was reaffirmed through the installation of a licensed temporary surface pipeline for produced water. The pipeline allows for the safe and environmentally responsible transportation of produced water, dramatically reducing the trucking of water in Crew's area of operations while significantly reducing emissions. As a result of this pipeline, 7,333 two-way truckloads were removed from the road during the completion of the 3-32 pad in Q1 2021, which is the approximate equivalent of 329 tCO₂e.
- Drilling of the seven-well 1-8 pad began in Q4 and was finished in Q1, incorporating the longest wells drilled in the Company's history. After completing the drilling of the 1-8 pad, the associated drilling rig was moved to our nine well 4-14 pad, targeting gas and condensate at Greater Septimus.

Other NE BC Montney

- Crew continues to evaluate encouraging offset operator activity in the Attachie and Oak/Flatrock areas.
- During Q1/21, Crew completed our land retention program focused in the Groundbirch area to facilitate future growth by drilling three land tenure extension wells. This program allowed the Company to hold 53 sections of Montney mineral rights.

AB / SK Heavy Oil Lloydminster

- Crew's dedication to the optimization of operations has led to an 8% year-over-year decline in Q1/21 operating costs in the heavy oil operating area.
- In Q1/21, Crew successfully executed 35 well abandonments in the area.

BOARD OF DIRECTORS TRANSITION

Crew is pleased to announce that Ms. Gail Hannon will be standing for election to our Board of Directors at the 2021 Annual General and Special Meeting ("AGSM"), which is to be held on May 20th, 2021. Ms. Hannon is currently the Vice President of Corporate and Financial Planning with a private Alberta based oil and gas company. Bringing over 30 years of diverse accounting and reporting experience, Ms. Hannon has worked in various management and executive roles in both private and public companies. She holds a CPA designation, a CMA certification and currently serves on the board of a private company. We are very excited to have Ms. Hannon join our Crew and believe her extensive experience will be an invaluable contribution to the Board.

The Company also announces that Mr. David Smith is not standing for re-election at Crew's 2021 AGSM. On behalf of our Board of Directors and our Crew, we would like to thank David for 12 years of outstanding advice and service on Crew's Board, and we wish him all the best in his retirement.

OUTLOOK

Crew continues to execute on our two-year plan with production and AFF ahead of budget assumptions. Both short-term and long-term fundamentals remain strong for natural gas while oil prices have recently exhibited positive momentum as the world begins to recover from the effects of the COVID-19 pandemic. Crew management anticipates that natural gas will continue to play a long-term and vital role in the global energy transition as the world looks to diversify energy sources and reduce emissions.

Two-Year Plan on Track

Crew's pivotal two-year plan, designed to expand margins and significantly improve leverage metrics by efficiently matching production volumes with infrastructure and transportation commitments, has been successfully initiated.

- **Production Growth** – Q1/21 production averaged 26,258 boe per day³, representing a 21% increase over Q4/20, as our drilling and completions program progresses. The Q2/21 capital program is expected to range between \$15 and \$18 million, while production volumes are expected to average between 26,000 and 27,000 boe per day³.
- **AFF Guidance Increased** – As a result of strong first quarter AFF⁴ and an improved commodity price forecast for the remainder of the year, the Company now expects 2021 AFF⁴ to range between \$105 and \$125 million⁵, representing an increase of approximately 20% over previous guidance.

³ See table in the Advisories for production breakdown by product type as defined in NI 51-101.

⁴ Non-IFRS 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 Measures" contained within this report.

⁵ See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

- **Optimizing Commitments** – Increasing Q1/21 natural gas production has resulted in Crew enhancing the utilization of our committed transportation by over 30% as compared to Q4/20. Further improvements are anticipated as production increases throughout the year and as committed transportation decreases by over 20% in Q4/21, which is expected to reduce transportation expenses by over \$9 million annually.
- **Enhanced Hedging Program** – Crew currently has over 55% of forecast 2021 natural gas production hedged at an average price of \$2.48 per Gigajoule (“GJ”) (or \$3.08 per mcf calculated using Crew’s heat content factor), while approximately 35% of targeted natural gas production for 2022 is hedged at an average price of \$2.46 per GJ (or \$3.05 per mcf using Crew’s heat content factor).
- **Reduced Costs** – Crew’s plan to reduce unit costs by over 25% is largely based on increasing production volumes into existing infrastructure, as over 50% of the Company’s expenses are fixed. As production increases, per unit costs associated with operating, transportation, G&A and interest expenses are targeted to decline from \$13.19 per boe in 2020 to approximately \$10.00 per boe in 2022. Progress was made in achieving these goals in Q1, as per unit operating, transportation, G&A and interest costs declined by 11% from \$13.80 per boe in Q4/20 to \$12.25 per boe in Q1/21.
- **Debt Reduction** – Based on projected capital spending, current forward commodity prices and the production assumptions outlined in Crew’s most recent Corporate Presentation, we expect that debt metrics will improve to under 2x EBITDA⁶ by the end of 2022.
- **Full Year 2021 Guidance** – 2021 capital and production guidance remains unchanged, with plans to invest between \$120 and \$145 million of capital throughout the year, resulting in average annual production of 26,000 to 28,000 boe per day⁷ and an exit rate of over 30,000 boe per day⁷.

Our Crew remains enthusiastic and focussed on the efficient execution of the Company’s business plan. We have identified actionable opportunities to grow profitably while expanding margins and participating in the energy transition. With a history of low finding and development costs and high recycle ratios, with access to diversified markets, we are uniquely positioned to provide superior returns to our shareholders. Crew retains the financial flexibility and expertise to execute on our plans, with ample liquidity and the optionality to raise funds through asset transactions as needed. We commend the hard work of Crew’s employees, contractors and directors whose commitment and dedication are critical to our ongoing success and thank all shareholders and bondholders for your ongoing support.

ADVISORIES

Non-IFRS Measures

Certain financial measures referred to in this report, such as adjusted funds flow or AFF, EBITDA, operating netback, net capital expenditures, net debt, net operating costs and working capital deficiency and are not prescribed by IFRS. Crew uses these measures to help evaluate its financial and operating performance as well as its liquidity and leverage. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

“Adjusted funds flow” or “AFF”, presented herein is equivalent to funds from operations before decommissioning obligations settled. The Company considers this metric as a key measure 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. Crew also presents AFF per share in this presentation whereby per share amounts are calculated using fully diluted shares outstanding.

“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. Crew utilizes EBITDA as a measure of operational

⁶ Non-IFRS 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 Measures” contained within this report.

⁷ See table in the Advisories for production breakdown by product type as defined in NI 51-101.

performance and cash flow generating capability. EBITDA impacts the level and extent of funding for capital projects investments. This measure is consistent with the EBITDA formula prescribed under the Company's Credit Facility and allows Crew and others to assess its ability to fund financing expenses, net debt reductions and other obligations.

"Operating Netbacks" 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 an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's netbacks can be seen under "Operating Netbacks" within the Company's most recently filed MD&A."

"Net Capital Expenditures" equals exploration and development expenditures plus property acquisitions or less property dispositions.

"Net Debt" is defined as bank debt plus working capital deficiency or surplus, excluding the current portion of the fair value of financial instruments.

"Net Operating Costs" equals operating costs net of processing revenue.

"Working Capital Surplus (Deficiency)" equals current assets less current liabilities and derivative financial instruments.

Please refer to Crew's most recently filed MD&A for additional information relating to Non-IFRS measures including a reconciliation of AFF to its most closely related IFRS measure. The MD&A can be accessed either on Crew's website at www.crewenergy.com or under the Company's profile on www.sedar.com.

Forward-Looking Information and Statements

This report contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this report contains forward-looking information and statements pertaining to the following: the ability to execute on its two-year development plan as described herein; as to our plan to optimize production and infrastructure utilization, enhance margins, increase AFF and improve leverage metrics; our Q2 2021 and 2021 annual capital budget range and associated drilling and completion plans and associated guidance; preliminary capital plans and targets for 2022; production estimates including forecast Q2 and 2021 annual average and exit production volumes; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs and future hedging opportunities; well abandonment plans; marketing and transportation and processing plans and requirements; estimates of processing capacity and requirements; future liquidity and financial capacity; future results from operations and operating and leverage metrics; anticipated reductions in expenses and associated estimates including forecast unit costs in 2022 and expected reductions in transportation expenses by over \$9 million annually; expected debt metric improvements to under 2x EBITDA; strong capital efficiencies and enhanced returns going forward; the potential impact of COVID-19 as well as government programs associated with COVID-19; world supply and demand projections and anticipated reductions in industry spending as a result, and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans, anticipated on-stream dates and associated timing and cost estimates); infrastructure investment plans; the successful implementation of our ESG initiatives including the anticipated release of Crew's inaugural ESG report in 2021; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability including the expected positive attributes discussed herein attributable to our two-year development plan.

The internal projections, expectations, or beliefs underlying our Board approved 2021 capital budget and associated guidance, as well as management's preliminary estimates and targets in respect of plans for 2022 and beyond, are subject to change in light of the impact of the COVID-19 pandemic, and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, commodity prices, and industry conditions and regulations. Crew's financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions, for such time periods based upon the key assumptions outlined herein. In this report, reference is made to the Company's longer range 2022 and beyond internal plan and associated economic model. Such information reflects internal targets used by management for the purposes of making capital investment decisions and for internal long-range planning and budget preparation. Readers are cautioned that events or circumstances could cause capital plans and associated results to differ materially

from those predicted and Crew's guidance for 2021 and beyond 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; 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 and environmental matters in the jurisdictions in which Crew operates; and the ability of Crew to successfully market its oil and natural gas products.

The forward-looking information and statements included in this report 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 differ materially from those anticipated in such forward-looking information or statements including, without limitation: the continuing and uncertain impact of COVID-19; 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 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 report and Crew's Annual Information Form).

This report 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 report 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 report was made as of the date of this report 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 report should not be used for purposes other than for which it is disclosed herein.

The forward-looking information and statements contained in this report speak only as of the date of this report, 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.

Key Budget and Underlying Material Assumptions¹

	2021 (Updated)³
Capital Expenditures (\$MM)	120-145
Annual Average Production (boe/d)	26,000 – 28,000
Adjusted Funds Flow (\$MM)	105-125
EBITDA (\$MM)	130-149
Oil price (WTI)(\$US per bbl)	\$61.00
WCS price (\$C per bbl)	\$61.00
Natural gas price (AECO 5A) (\$C per mcf)	\$2.90
Natural gas price (NYMEX) (\$US per mmbtu)	\$2.80
Natural gas price (Crew est. wellhead) (\$C per mcf)	\$3.80
Foreign exchange (\$US/\$CAD)	\$0.80
Royalties	4-6%
Net operating costs ² (\$ per boe)	\$4.75-\$5.25
Transportation (\$ per boe)	\$3.50-\$4.00
G&A (\$ per boe)	\$0.90-\$1.10
Interest rate – bank debt	6.0%
Interest rate – high yield	6.5%

Notes:

¹ 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.

² Non-IFRS 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 "Non-IFRS Measures" contained within this report.

³ See the Guidance section of the Company's most recently filed Management's Discussion and Analysis for additional information regarding updated guidance and material assumptions.

Supplemental Information Regarding Product Types

The following is intended to provide the product type composition for each of the boe/d production figures provided herein, where not already disclosed within tables above:

Corporate Production Volume Breakdown²

	Crude Oil¹	Natural gas liquids³	Condensate	Conventional Natural gas	Total (boe/d)
2021 Q1 Average	1,210 bbl/d	2,401 bbl/d	2,708 bbl/d	119,635 mcf/d	26,258
2021 Q2 Average	4%	10%	12%	74%	26,000-27,000
2021 Annual Average	4%	10%	11%	75%	26,000-28,000

Greater Septimus Production Volume Breakdown

	Crude Oil ¹	Natural gas liquids ³	Condensate	Conventional Natural gas	Total (boe/d)
Q1/21	0%	10%	12%	78%	23,130
Q4/20	0%	10%	12%	78%	18,089
Q3/20	0%	11%	13%	76%	17,119
Q2/20	0%	11%	14%	75%	18,565
Q1/20	0%	11%	17%	72%	19,894

Notes:

¹ Crude oil is comprised primarily of Heavy crude oil, with an immaterial portion of Light and Medium crude oil.

² With respect to forward looking production guidance, given the potential for variability in actual product type results, the issuer approximates percentages for budget planning purposes based on management's reasonable assumptions including, without limitation, historical well results.

³ Excludes condensate volumes which have been reported separately.

Test Results and Initial Production ("IP") 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 rates disclosed herein, particularly those short in duration, may not necessarily be indicative of long term performance or of ultimate recovery. Sales gas used herein reflects natural gas sales based on historical gas processing shrinkage and condensate and ngl yields.

BOE, MMCFE and TCFE Conversions

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

TCFe of gas is defined as Trillion Cubic Feet Equivalent, and MMCFe of gas is defined as Million Cubic Feet Equivalent. Both terms have been applied using the oil equivalent conversion ratio of six thousand cubic feet of natural gas (6 mcf) to one barrel of oil (1 bbl). TCFE and MMCFE amounts may be misleading, particularly if used in isolation.

Crew is a growth-oriented oil and natural gas producer, committed to pursuing sustainable per share growth through a balanced mix of financially and socially responsible exploration and development complemented by strategic acquisitions. The Company's operations are primarily focused in the vast Montney resource, situated in northeast British Columbia, and include a large contiguous land base. Greater Septimus along with Groundbirch and the light oil area at Tower in British Columbia offer significant development potential over the long-term. The Company has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. Crew adhere's to safe and environmentally responsible operations while remaining committed to sound ESG practices that underpin Crew's fundamental business tenets. Crew's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR".

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

Crew Energy Inc. ("Crew" or the "Company") is a, liquids-rich natural gas producer, committed to pursuing sustainable per share growth through a balanced mix of financially responsible exploration and development complemented by strategic acquisitions. The Company's operations are primarily focused in the vast Montney resource, situated in northeast British Columbia ("NE BC"), and include a large contiguous land base. Crew's liquids-rich natural gas areas of Septimus and West Septimus ("Greater Septimus") and Groundbirch in British Columbia offer significant development potential over the long-term. The Company has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. Crew adheres to safe and environmentally responsible operations while remaining committed to sound environmental, social and governance ("ESG") practices which underpin Crew's fundamental business tenets. Crew's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR".

BASIS OF PRESENTATION

Management's discussion and analysis ("MD&A") is the explanation of the financial performance for the period covered by the financial statements along with an analysis of the financial position of the Company. Comments relate to and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three month period ended March 31, 2021 and 2020. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). There have been no significant changes to the critical estimates disclosed in the Company's audited financial statements for the year ended December 31, 2020. All figures provided herein and in the March 31, 2021 unaudited condensed interim consolidated financial statements are reported in Canadian dollars ("CDN"). This MD&A is dated May 6, 2021.

RESULTS OF OPERATIONS

Quarterly Overview

During the first quarter of 2021, Crew continued the advancement of its two-year development plan announced in late 2020. Capital expenditures totaled \$50.1 million, which is at the low end of the Company's budget and guidance. During the quarter, Crew drilled eleven Montney wells, including seven wells at West Septimus, three tenure retention wells at Groundbirch, drilled to hold 53 sections of Montney mineral rights, and one well at Attachie, also drilled as a lease retention well that holds another eight sections of Montney mineral rights. The Company completed six wells during the quarter in the northern area of West Septimus, an area prone to higher condensate production. These wells were tested late in the quarter and then equipped and brought on-stream early in the second quarter. At the end of the quarter the Company had 10 wells in inventory that are drilled and awaiting completion later this year or early in 2022.

Production in the first quarter benefited from the Company's second half 2020 drilling program, growing to 26,258 boe per day, a 21% increase over the fourth quarter of 2020. During the quarter, the Company added production from its seven well, 9-5 liquids-rich gas pad that was equipped and brought-on full commercial production in mid-January. The addition of production from the 9-5 wells was partially offset by the shutting-in of production from eight natural gas wells for offsetting completion operations.

Crew's first quarter also benefited from stronger commodity prices as revenue increased to \$85.5 million, a 101% increase over the fourth quarter of 2020. Commodity prices benefited from an improving global economy that was encouraged by the roll-out of COVID-19 vaccinations and the belief that the end of pandemic related government shutdowns is near. As a result, Crew's first quarter petroleum and natural gas sales increased to \$36.19 per boe, an increase of 69% over the previous quarter.

Combined liquids pricing, including crude oil, condensate and natural gas liquids ("ngl"), increased 36% in the quarter, consistent with the 32% increase in the underlying price of North American oil, represented by Canadian dollar denominated West Texas Intermediate ("WTI"). The Company's natural gas price increased by 93%, bolstered by increasing North American gas prices resulting from increasing exports of American liquefied natural gas to global markets, Mexican exports and growing U.S. industrial demand. Additionally, Crew's first quarter natural gas price was impacted by a February surge in natural gas demand across North

America due to a ten day cold weather event that swept across the continent. Crew's exposure to the Alliance and Chicago natural gas markets, that saw dramatic price spikes during the event, significantly bolstered Crew's natural gas price for the quarter, while at the same time added to a large hedging loss.

The Company's adjusted funds flow ("AFF") also benefited from increased production and stronger commodity prices, increasing to \$34.0 million, a 118% improvement over the fourth quarter of 2020. Crew's quarter-over-quarter per unit cash costs declined 2% in the first quarter, with declines in per unit operating, transportation, general and administrative and interest costs, partially offset by higher royalty costs. The royalty increase was linked to the sliding scale nature of royalty rates that increase with higher commodity prices. Crew continues to focus on improving margins through reduced per unit costs resulting from lower charges for unutilized processing and transportation costs.

Crew's financial position remains strong with 38% drawn on the Company's \$150 million revolving bank facility. The Company's \$300 million, 6.5%, unsecured notes remain outstanding with a maturity in March of 2024. The Company's strengthening financial prospects and improved liquidity in North American bond markets has improved the outlook for the potential refinancing of the Company's notes prior to their maturity in 2024.

Responding to the Novel Coronavirus ("COVID-19")

The full extent of the impact of the COVID-19 pandemic on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on financial markets on a macro-scale and any new information that may emerge concerning the effectiveness of available vaccines and the severity and spread of the virus and its variants. The pandemic presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by management in the preparation of its financial results. Crew believes the measures it has taken will provide it with the financial capability to execute on its business plan, deliver safe and reliable operations and continue to build its sustainable business.

Production⁽¹⁾

	Three months ended	Three months ended
	March 31, 2021	December 31, 2020
Crude oil (bbl/d)	1,210	1,463
Condensate (bbl/d)	2,708	2,121
Ngl (bbl/d)	2,401	1,953
Natural gas (mcf/d)	119,635	96,771
Total (boe/d)	26,258	21,666

Notes:

(1) Throughout this MD&A, 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"). Condensate is a natural gas liquid as defined by NI 51-101. Throughout this MD&A, references to other natural gas liquids or ngl's comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately. Throughout this MD&A, references to natural gas comprise all conventional natural gas as defined by NI 51-101.

Production during the first quarter of 2021 increased 21% over the fourth quarter of 2020, largely as a result of the addition of seven new natural gas wells brought on production late in the fourth quarter of 2020 and six new liquids-rich natural gas wells added to production late in the first quarter of 2021 at West Septimus. This was partially offset by a decrease in crude oil production at Lloydminster due to limited capital investment.

	Three months ended					Three months ended				
	March 31, 2021					March 31, 2020				
	Crude oil	Condensate	Ngl	Nat. gas	Total	Crude oil	Condensate	Ngl	Nat. gas	Total
	(bbl/d)	(bbl/d)	(bbl/d)	(mcf/d)	(boe/d)	(bbl/d)	(bbl/d)	(bbl/d)	(mcf/d)	(boe/d)
NE BC	155	2,708	2,401	119,489	25,179	215	3,340	2,288	99,111	22,361
Lloydminster	1,055	-	-	146	1,079	1,527	-	-	33	1,533
Total	1,210	2,708	2,401	119,635	26,258	1,742	3,340	2,288	99,144	23,894

Production during the first quarter of 2021 increased 10% over the same period in 2020, largely as a result of successfully executing drilling and completion activities in the Greater Septimus area. Production increases were partially offset by lower crude oil production, due to limited capital investment, and higher levels of shut-in production related to offset fracturing in Greater Septimus compared to the same period in 2020.

Petroleum and Natural Gas Sales

	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Petroleum and natural gas sales (\$ thousands)			
Light crude oil	893	794	878
Heavy crude oil	5,003	4,571	2,788
Natural gas liquids	2,931	2,371	1,012
Condensate	17,001	9,305	16,665
Natural gas	59,689	25,563	16,751
Total	85,517	42,604	38,094
Crew average prices⁽¹⁾			
Light crude oil (\$/bbl)	63.97	47.38	44.81
Heavy crude oil (\$/bbl)	52.69	38.79	20.06
Natural gas liquids (\$/bbl)	13.56	13.20	4.86
Condensate (\$/bbl)	69.75	47.68	54.83
Natural gas (\$/mcf)	5.54	2.87	1.86
Oil equivalent (\$/boe)	36.19	21.37	17.52
Benchmark pricing			
Light crude oil – WTI (Cdn \$/bbl)	73.22	55.53	61.65
Heavy crude oil – WCS (Cdn \$/bbl)	57.54	43.52	34.07
Condensate – Condensate @ Edmonton (Cdn \$/bbl)	73.31	55.28	61.69
Natural Gas:			
AECO 5A daily index (Cdn \$/mcf)	3.15	2.64	2.03
AECO 7A monthly index (Cdn \$/mcf)	2.93	2.77	2.14
Alliance 5A (Cdn \$/mcf)	4.53	2.76	2.03
Chicago Interstates at ATP (Cdn \$/mcf)	7.53	2.23	1.60
Henry Hub Close (Cdn \$/mcf)	3.41	3.47	2.62
Natural gas sales portfolio			
AECO 5A	40%	22%	-
Alliance 5A	21%	21%	19%
Chicago Interstates at ATP	34%	44%	58%
Henry Hub	-	6%	16%
Station 2	5%	7%	7%

Notes:

(1) Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

First quarter 2021 compared to fourth quarter 2020:

In the first quarter of 2021, the Company's petroleum and natural gas sales increased 101% as compared to the fourth quarter of 2020, as a result of a significant 69% increase in realized wellhead pricing during the first quarter combined with a 21% increase in production.

The Company's first quarter realized light crude oil price increased 35% over the fourth quarter of 2020, which was consistent with the Company's WTI benchmark increase of 32% compared to the previous quarter. Crew's first quarter heavy crude oil price increased 36% as compared to the fourth quarter of 2020, which is consistent with the 32% increase in the Company's Western Canadian Select ("WCS") benchmark.

Crew's ngl realized price increased 3% in the first quarter as compared to the fourth quarter of 2020, due to increases in the value of component pricing for propane and pentane. The Company's first quarter realized condensate price increased 46% over the fourth quarter of 2020, which was higher than the 33% increase in the Condensate at Edmonton benchmark price, mainly due to a decrease in the embedded pipeline and product differential costs relative to the underlying price received.

Crew's realized natural gas price increased by 93% in the first quarter of 2021, which was consistent with the 96% increase in the Company's natural gas sales portfolio weighted benchmark price.

First quarter 2021 compared to first quarter 2020:

The first quarter 2021 petroleum and natural gas sales increased 124% as compared to the same period in 2020, as a result of a 107% increase in realized wellhead pricing combined with a 10% increase in production.

The Company's first quarter realized light crude oil price increased 43% over the first quarter of 2020, which was higher than the Company's WTI benchmark increase of 19%, largely due to the decline in the differential between realized Canadian crude oil prices and the Company's WTI benchmark resulting from improved Canadian oil egress. Crew's first quarter heavy crude oil price increased 163% as compared to the same period last year, which is higher than the 69% increase in the Company's WCS benchmark as a result of a reduction in the relative cost of diluent utilized to blend with heavy crude oil for transportation purposes.

Crew's ngl realized price increased 179% in the first quarter as compared to the same period in 2020, due to an increase in the value of component pricing, in particular large increases in realized propane and pentane pricing across North America. The Company's first quarter realized condensate price increased 27% over the same period in 2020, which is higher than the 19% increase in the Condensate at Edmonton benchmark price, mainly due to product differential costs relative to the underlying price received.

Crew's realized natural gas price increased by 198% in the first quarter of 2021 as compared to the same period in 2020, which is higher than the 168% increase in the Company's natural gas sales portfolio weighted benchmark price. The greater corporate increase was the result of the expiry of a Chicago fixed price physical delivery contract that negatively impacted the Company's realized natural gas price for most of 2020.

Royalties

(\$ thousands, except per boe)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Royalties	5,223	1,969	2,164
Per boe	2.21	0.99	1.00
Percentage of petroleum and natural gas sales	6.1%	4.6%	5.7%

For the first quarter of 2021, royalties per boe and as a percentage of petroleum and natural gas sales increased over the fourth quarter of 2020 and the same period in 2020 due to increases in commodity pricing leading to higher royalty rates. The rate increases were partially offset by lower royalty rates on new wells drilled and completed, that attract lower royalty rates.

Derivative Financial Instruments

Commodities

The Company enters into derivative and physical risk management contracts in order to reduce volatility in financial results and to ensure a certain level of cash flow to fund planned capital projects. Crew's strategy focuses on the use of puts, costless collars, swaps and fixed price contracts to limit exposure to fluctuations in commodity prices, interest rates and foreign exchange rates, while allowing for participation in spot commodity prices. The Company's financial derivative trading activities are conducted pursuant to the Company's Risk Management Policy, approved by the Board of Directors.

These contracts had the following impact on the consolidated statements of income (loss) and comprehensive income (loss):

(\$ thousands)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Realized (loss) gain on derivative financial instruments	(17,348)	2,536	3,800
Per boe	(7.34)	1.27	1.75
Unrealized (loss) gain on financial instruments	(14,393)	11,649	14,339

As at March 31, 2021, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
<i>Natural Gas – AECO Daily Index:</i>				
2,500 gj/day	April 1, 2021 - October 31, 2021	\$2.35/gj	Swap	\$ (60)
21,500 gj/day	April 1, 2021 - June 30, 2021	\$2.16/gj	Swap	(541)
7,500 gj/day	April 1, 2021 - December 31, 2021	\$2.59/gj	Swap	134
19,000 gj/day	July 1, 2021 - September 30, 2021	\$2.23/gj	Swap	(343)
17,500 gj/day	October 1, 2021 - December 31, 2021	\$2.47/gj	Swap	(384)
22,500 gj/day	November 1, 2021 - December 31, 2021	\$2.72/gj	Swap	(26)
15,000 gj/day	November 1, 2021 - March 31, 2022	\$2.72/gj	Swap	(68)
20,000 gj/day	January 1, 2022 - March 31, 2022	\$3.05/gj	Swap	396
15,000 gj/day	January 1, 2022 - December 31, 2022	\$2.42/gj	Swap	302
20,000 gj/day	April 1, 2022 - June 30, 2022	\$2.17/gj	Swap	82
5,000 gj/day	April 1, 2022 - October 31, 2022	\$2.19/gj	Swap	9
20,000 gj/day	July 1, 2022 - September 30, 2022	\$2.20/gj	Swap	102
20,000 gj/day	October 1, 2022 - December 31, 2022	\$2.44/gj	Swap	146
<i>Natural Gas – AECO Monthly Index:</i>				
2,500 gj/day	April 1, 2021 - October 31, 2021	\$2.05/gj	Swap	(218)
6,000 gj/day	April 1, 2021 - June 30, 2021	\$2.12/gj	Swap	(200)
2,500 gj/day	April 1, 2021 - December 31, 2021	\$2.45/gj	Swap	(46)
12,500 gj/day	April 1, 2021 - December 31, 2021	\$2.50 - \$2.85/gj	Collar ⁽¹⁾	300
10,000 gj/day	July 1, 2021 - September 30, 2021	\$2.19/gj	Swap	(183)
9,000 gj/day	October 1, 2021 - December 31, 2021	\$2.40/gj	Swap	(237)
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.84/gj	Swap	68
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.65 - \$2.95/gj	Collar ⁽²⁾	25
10,000 gj/day	January 1, 2022 - March 31, 2022	\$3.09/gj	Swap	307
2,500 gj/day	January 1, 2022 - March 31, 2022	\$2.75 - \$3.20/gj	Collar ⁽³⁾	35
7,500 gj/day	January 1, 2022 - December 31, 2022	\$2.36/gj	Swap	(11)
10,000 gj/day	April 1, 2022 - June 30, 2022	\$2.20/gj	Swap	40
10,000 gj/day	July 1, 2022 - September 30, 2022	\$2.22/gj	Swap	42
10,000 gj/day	October 1, 2022 - December 31, 2022	\$2.48/gj	Swap	102
<i>Natural Gas – CDN\$ Chicago Citygate Daily:</i>				
17,500 mmbtu/day	April 1, 2021 - October 31, 2021	\$3.47/mmbtu	Swap	1,012
<i>Natural Gas – CDN\$ Chicago Citygate Monthly:</i>				
7,500 mmbtu/day	April 1, 2021 - October 31, 2021	\$3.49/mmbtu	Swap	454

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
<i>(continued)</i>				
<i>Crude Oil – CDN\$ WTI:</i>				
250 bbl/day	April 1, 2021 - June 30, 2021	\$59.00/bbl	Swap	(347)
<i>Crude Oil – CDN\$ WCS:</i>				
500 bbl/day	April 1, 2021 - June 30, 2021	\$43.03/bbl	Swap	(820)
250 bbl/day	April 1, 2021 - December 31, 2021	\$44.00/bbl	Swap	(1,035)
250 bbl/day	July 1, 2021 - December 31, 2021	\$47.75/bbl	Swap	(474)
250 bbl/day	October 1, 2021 - December 31, 2021	\$57.20/bbl	Swap	17
250 bbl/day	January 1, 2022 - March 31, 2022	\$56.30/bbl	Swap	23
<i>CDN\$ Edmonton C5 Blended Index:</i>				
2,000 bbl/day	April 1, 2021 - June 30, 2021	\$62.40/bbl	Swap	(2,430)
250 bbl/day	April 1, 2021 - December 31, 2021	\$60.85/bbl	Swap	(787)
1,250 bbl/day	July 1, 2021 - December 31, 2021	\$61.32/bbl	Swap	(2,132)
250 bbl/day	January 1, 2022 - June 30, 2022	\$68.25/bbl	Swap	36
Total				\$ (6,710)

Notes:

- (1) The referenced contract is a costless collar whereby the Company receives \$2.50/gj when the market price is below \$2.50/gj, and receives \$2.85/gj when the market price is above \$2.85/gj.
(2) The referenced contract is a costless collar whereby the Company receives \$2.65/gj when the market price is below \$2.65/gj, and receives \$2.95/gj when the market price is above \$2.95/gj.
(3) The referenced contract is a costless collar whereby the Company receives \$2.75/gj when the market price is below \$2.75/gj, and receives \$3.20/gj when the market price is above \$3.20/gj.

Marketing (Loss) Income

	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
(\$ thousands, except per boe)			
Marketing revenue	-	(75)	233
Marketing expense	-	-	-
Marketing (loss) income	-	(75)	233
Per boe	-	(0.04)	0.11

In the fourth quarter of 2020 and first quarter of 2021, the Company recognized \$0.1 million in marketing losses and \$0.2 million in marketing income, respectively, related to the monetization of the Company's exposure to the Malin natural gas market. These Malin contracts have since expired and no other marketing income or losses were incurred in the first quarter of 2021.

Net Operating Costs⁽¹⁾

	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
(\$ thousands, except per boe)			
Operating costs	11,539	11,149	13,114
Processing revenue	(554)	(576)	(639)
Net operating costs	10,985	10,573	12,475
Per boe	4.65	5.30	5.74

Note:

- (1) Non-IFRS 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 "Non-IFRS Measures" contained within this MD&A.

For the first quarter of 2021, the Company's net operating costs per boe decreased as compared to the fourth quarter of 2020, as a result of increased natural gas production from the new seven well pad brought on production in the fourth quarter of 2020 at West Septimus and the new six well pad brought on production in the first quarter of 2021 at West Septimus, which yield lower net operating costs per boe as compared to the corporate average.

During the first quarter of 2021, net operating costs and net operating costs per boe decreased as compared to the same period in 2020, as a result of new production added at West Septimus combined with efforts by the Company to optimize field operations, resulting in reduced costs across all operating areas and the receipt of an annual clean energy incentive payment. This was coupled with reduced production in Lloydminster, where net operating costs are higher than the corporate average.

Transportation Costs

(\$ thousands, except per boe)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Transportation costs	9,852	8,435	6,971
Per boe	4.17	4.23	3.21

First quarter 2021 transportation costs increased by 17% as compared to the prior quarter and increased 41% as compared to the same period of 2020 as a result of increased use of interruptible Alliance transportation service in February 2021, taking advantage of elevated ATP pricing that occurred during the severe cold weather event. The Company also realized natural gas pipeline transportation rate increases commencing in November 2020, and trucking costs for ngl production in the first quarter of 2021 due to new sales point contracts, where such costs were limited in 2020. In addition, the Company's commercial agreements pertaining to a five-year Alliance firm transport agreement expired in October 2020, which yielded lower historical transportation costs.

Operating Netbacks⁽¹⁾

(\$/boe)	Greater Septimus	Lloydminster Heavy	Other NE BC	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Petroleum and natural gas sales	36.15	51.89	28.30	36.19	21.37	17.52
Royalties	(2.07)	(6.33)	(1.59)	(2.21)	(0.99)	(1.00)
Realized commodity hedging (loss) gain	(7.26)	(9.39)	(7.16)	(7.34)	1.27	1.75
Marketing (loss) income	-	-	-	-	(0.04)	0.11
Net operating costs	(3.84)	(19.31)	(6.02)	(4.65)	(5.30)	(5.74)
Transportation costs	(4.25)	(0.33)	(5.22)	(4.17)	(4.23)	(3.21)
Operating netbacks	18.73	16.53	8.31	17.82	12.08	9.43
Production (boe/d)	23,130	1,079	2,049	26,258	21,666	23,894

Note:

(1) Non-IFRS 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 "Non-IFRS Measures" contained within this MD&A.

Operating netbacks for the first quarter of 2021 increased by 48% when compared to the fourth quarter of 2020, primarily as a result of higher commodity prices and lower net operating and transportation costs, partially offset by higher royalties and greater realized hedging losses.

Operating netbacks for the first quarter of 2021 increased 89% over the same period in 2020 as a result of higher commodity pricing and lower net operating costs, partially offset by higher transportation costs and royalties, combined with realized commodity hedging losses where the Company realized hedging gains in the same period in 2020.

General and Administrative Costs

	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
(\$ thousands, except per boe)			
Gross costs	3,814	3,762	3,853
Operators' recoveries	(282)	(16)	(11)
Capitalized costs	(1,333)	(1,154)	(1,344)
General and administrative expenses	2,199	2,592	2,498
Per boe	0.93	1.30	1.15

In the first quarter of 2021, general and administrative ("G&A") costs and net G&A per boe costs decreased as compared to both the fourth quarter of 2020 and the same period in 2020, mainly due to an increase in third party operators' recoveries. In addition, an increase in production as compared to the same period in 2020 contributed to the decrease in G&A costs per boe.

Share-Based Compensation

	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
(\$ thousands)			
Gross costs	1,112	533	1,815
Capitalized costs	(538)	(258)	(897)
Total share-based compensation	574	275	918

For the first quarter of 2021, the Company's total share-based compensation expense increased as compared to the fourth quarter of 2020, as a result of the fourth quarter 2020 reversal of share-based compensation on unvested awards due to a reduction of staff. In the first quarter of 2021, the Company's total share-based compensation expense decreased as compared to the same period in 2020, as a result of a lower annual grant value in 2020 as compared to 2019.

Depletion and Depreciation

	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
(\$ thousands, except per boe)			
Depletion and depreciation	17,386	16,072	19,514
Per boe	7.36	8.06	8.97

In the first quarter of 2021, depletion and depreciation costs per boe decreased when compared to the previous quarter and same period in 2020, due to a decrease in future development costs associated with reserves bookings at the end of 2020 as compared to 2019 and a decrease to the per boe depletion rate of Tower production due to higher reserve bookings at Tower. In addition, there was a reduction in the capital cost base as a result of impairment charges recorded in the first quarter of 2020.

Finance Expenses

(\$ thousands, except per boe)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Interest on bank loan and other	861	767	566
Interest on senior notes	4,808	4,915	4,808
Interest on lease obligations	27	-	-
Accretion of deferred financing charges	246	246	245
Accretion of the decommissioning obligation	262	230	383
Total finance expense	6,204	6,158	6,002
Average long-term debt level	338,922	329,597	344,874
Average drawings on bank loan	38,922	29,597	44,874
Average senior unsecured notes outstanding	300,000	300,000	300,000
Effective interest rate on senior unsecured notes	6.5%	6.5%	6.5%
Effective interest rate on long-term debt	6.2%	6.3%	6.1%
Financing costs on long-term debt per boe	2.50	2.97	2.58

The Company's total finance expense increased in the first quarter of 2021 as compared to the same period in 2020 despite the decrease in average corporate debt levels, as a result of an increase in borrowing margins and an increase in the Company's corporate effective interest rate.

Deferred Income Taxes

In the first quarter of 2021, the provision for deferred income taxes was nil as compared to a deferred tax recovery of \$53.6 million in the same period of 2020. The Company did not recognize a deferred income tax asset due to the uncertainty of future commodity prices and cash flows.

Cash, Adjusted Funds Flow⁽¹⁾ and Net (Loss) Income

(\$ thousands, except per share amounts)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Cash provided by operating activities	30,447	14,774	9,919
Adjusted funds flow ⁽¹⁾	33,995	15,568	12,400
Per share -basic	0.23	0.10	0.08
-diluted	0.22	0.10	0.08
Net income (loss)	1,353	34,668	(191,909)
Per share -basic	0.01	0.23	(1.27)
-diluted	0.01	0.22	(1.27)

Note:

(1) Non-IFRS 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 "Non-IFRS Measures" contained within this MD&A.

For the first quarter of 2021, cash provided by operating activities and adjusted funds flow increased as compared to the fourth quarter of 2020, mainly due to higher petroleum and natural gas sales. Net income in the first quarter of 2021 decreased when compared to the fourth quarter of 2020, which benefited from the gain realized on the divestiture of net working interests in the Greater Septimus Processing Complex.

Cash provided by operating activities and adjusted funds flow increased in the first quarter of 2021 as compared to the same period in 2020, predominantly due to higher petroleum and natural gas sales. This contributed to net income during the three months ended March 31, 2021 as compared to a net loss in the same period in 2020, which was also impacted by a \$201 million after-tax impairment charge.

Capital Expenditures, Property Acquisitions and Dispositions

(\$ thousands)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Land	604	994	657
Seismic	167	210	245
Drilling and completions	42,288	31,523	10,775
Facilities, equipment and pipelines	5,607	7,126	4,949
Other	1,424	1,154	1,403
Total exploration and development	50,090	41,007	18,029
Net property dispositions	-	(23,219)	(34,940)
Total	50,090	17,788	(16,911)

In the first quarter of 2021, the Company invested a total of \$50.1 million on exploration and development expenditures. The majority of this amount was spent on the continued development of the Montney assets. During the quarter, \$42.3 million was invested on drilling and completion activities, \$5.6 million on facilities, equipment and pipelines and \$2.2 million on land, seismic, and other miscellaneous amounts.

In the first quarter of 2021, the Company drilled a total of 11 natural gas wells, completed six natural gas wells in the West Septimus area and recompleted two heavy crude oil wells in Lloydminster.

GUIDANCE

Crew continues to execute on its two-year plan with production and AFF ahead of budget assumptions. Both short-term and long-term fundamentals remain strong for natural gas, while crude oil prices have recently exhibited positive momentum as the world begins to recover from the effects of the COVID-19 pandemic. Crew management anticipates that natural gas will continue to play a long-term and vital role in the global energy transition as the world looks to diversify energy sources and reduce emissions.

The following table sets forth Crew's guidance and underlying material assumptions for 2021 and 2022:

	Previous 2021 guidance and assumptions ⁽¹⁾	Revised 2021 guidance and assumptions ⁽¹⁾	Previous 2022 guidance and assumptions ⁽¹⁾	Revised 2022 guidance and assumptions ⁽¹⁾
Capital expenditures (\$Millions)	120–145	120–145	70–95	70–95
Annual average production (boe/d)	26,000–28,000	26,000–28,000	31,000–33,000	31,000–33,000
Adjusted funds flow ⁽²⁾ (\$Millions)	85–105	105–125	120–150	140–160
EBITDA ⁽²⁾ (\$Millions)	111–130	130–149	144–173	164–184
Oil price (WTI)(\$US per bbl)	\$45.20	\$61.00	\$44.60	\$58.00
WCS price (\$C per bbl)	\$42.00	\$61.00	\$40.00	\$56.50
Natural gas price (AECO 5A) (\$C per mcf)	\$2.60	\$2.90	\$2.50	\$2.55
Natural gas price (NYMEX) (\$US per mmbtu)	\$2.80	\$2.80	\$2.70	\$2.70
Natural gas price (Crew est. wellhead) (\$C per mcf)	\$3.00	\$3.80	\$2.90	\$3.00
Foreign exchange (\$US/\$CAD)	\$0.77	\$0.80	\$0.77	\$0.80
Royalties	4–6%	4–6%	4–6%	4–6%
Net operating costs ⁽²⁾ (\$ per boe)	\$4.75–\$5.25	\$4.75–\$5.25	\$4.25–\$4.75	\$4.25–\$4.75
Transportation (\$ per boe)	\$3.00–\$3.50	\$3.50–\$4.00	\$2.25–\$2.75	\$2.25–\$2.75
G&A (\$ per boe)	\$0.90–\$1.10	\$0.90–\$1.10	\$0.80–\$1.00	\$0.80–\$1.00
Interest rate – bank debt	6.0%	6.0%	6.0%	6.0%
Interest rate – high yield	6.5%	6.5%	6.5%	6.5%

Notes:

- (1) 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.
- (2) Non-IFRS 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 "Non-IFRS Measures" contained within this MD&A.

Improving commodity prices bolstered by global optimism over the roll-out of effective vaccines to protect against COVID-19 and the associated re-opening of world economies has resulted in the above updates to Crew's previous 2021 and 2022 guidance. While there remains a significant amount of uncertainty around the timing of a return to pre-pandemic global economic activity levels, increased global trade and the return of the US and China to pre-pandemic levels of domestic travel has driven demand for crude oil, natural gas and ngl. The above increase to the Company's commodity price assumptions, and the follow through impact on 2021 and 2022 AFF and EBITDA, is based on the current forward market price for Crew's forecasted production. Additionally, an increase in the regulated tariffs for natural gas pipelines in Canada, a reduction in Crew's ability to mitigate unutilized demand charges for committed natural gas pipeline usage and an increase in trucking of ngl volumes to markets in northeast BC has led to an increase in the Company's forecasted 2021 per unit transportation guidance.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

The Company considers its capital structure to include working capital, long-term debt (including the bank loan and senior unsecured notes) and shareholders' equity. Crew's primary capital management objective is to maintain a strong financial position in order to continue to fund the Company's sustainability. Crew monitors its capital structure and makes adjustments on an ongoing basis in order to maintain the flexibility needed to achieve the Company's long-term objectives. To manage its capital structure, the Company may adjust capital spending, hedge future revenue through commodity contracts, issue new equity, issue new debt or raise funds through asset sales.

With 38% drawn on the Company's \$150 million Facility and the senior unsecured notes termed out to 2024, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations. The Company will continue to monitor debt levels and, if necessary, it will consider divesting of non-core properties, adjust its annual capital expenditure program or may consider other forms of financing to improve its financial position.

Capital Management includes the monitoring of net debt as part of the Company's capital structure.

The following tables outline Crew's calculation of working capital and net debt:

(\$ thousands)	March 31, 2021	December 31, 2020
Current assets	26,528	26,853
Current liabilities	(59,826)	(47,212)
Derivative financial instruments	8,003	(4,002)
Decommissioning obligations	3,556	-
Working capital deficiency⁽¹⁾	(21,739)	(24,361)

(\$ thousands)	March 31, 2021	December 31, 2020
Bank loan	(56,851)	(35,994)
Senior unsecured notes	(297,097)	(296,851)
Working capital deficiency⁽¹⁾	(21,739)	(24,361)
Net debt⁽¹⁾	(375,687)	(357,206)

Note:

(1) Non-IFRS 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 "Non-IFRS Measures" contained within this MD&A.

Working Capital

The capital intensive nature of Crew's activities generally results in the Company carrying a working capital deficit. Working capital includes cash and cash equivalents and accounts receivable less accounts payable and accrued liabilities.

The Company ensures that sufficient drawings are available from its Facility to satisfy working capital requirements. At March 31, 2021, the Company's working capital deficit totaled \$21.7 million, when combined with the drawings on its bank loan, represented drawings of 52% on its \$150 million Facility described below.

Bank Loan

As at March 31, 2021, the Company's bank facility consists of a revolving line of credit of \$125 million and an operating line of credit of \$25 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 4, 2021. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. The Facility requires the Company to maintain a Liability Management Rating ("LMR") of greater than 1.2:1 in the provinces of Alberta and Saskatchewan, and greater than 2.0:1 in the province of British Columbia, if the uninflated, undiscounted abandonment and reclamation liabilities ("Decommissioning Obligations"), as determined by the

individual province, is greater than \$20 million. If the LMR falls below the required level in any province, the lenders have the option to re-determine the Borrowing Base. As at March 31, 2021, the Company's Decommissioning Obligations exceeded \$20 million in the province of British Columbia, which carried an LMR of 7.4:1. There can be no assurance that the amount of the available Facility will not be adjusted at the next scheduled Borrowing Base review on or before June 4, 2021. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Senior Unsecured Notes

On March 14, 2017, the Company issued \$300 million of 6.5% senior unsecured notes, due March 14, 2024 (the "2024 Notes"). The 2024 Notes are guaranteed, jointly and severally, on an unsecured basis, by each of the Company's current and future restricted subsidiaries. Interest on the 2024 Notes accrues at the rate of 6.5% per year and is payable semi-annually.

The Company may redeem, on any one or more occasions, all or part of the 2024 Notes at the redemption prices set forth below, plus any accrued and unpaid interest:

Year ⁽¹⁾	Percentage
2021	102.145%
2022	101.040%
2023 and thereafter	100.000%

(1) For the 12 month period beginning on March 14 of each year.

Upon the occurrence of a change of control, the Company will be required to offer to repurchase each holder's notes at a price equal to not less than 101% of the principal amount, plus any accrued and unpaid interest.

The Company will continue to fund its on-going operations from a combination of cash flow, debt, non-core asset dispositions and equity financings as needed. As the majority of our on-going capital expenditure program is directed to the maintenance and growth of reserves and production volumes, the Company is readily able to adjust its budgeted capital expenditures should the need arise.

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at May 6, 2021, there were 156,576,605 common shares of the Company issued and outstanding, which includes 2,101,690 of common shares held in trust for the potential future settlement of awards issued under the Company's Restricted and Performance Award Incentive Plan. In addition, there were 4,077,658 restricted awards and 4,744,071 performance awards outstanding.

The Company funds the acquisition of common shares in the open market, which are held in trust, for the potential future settlement of Restricted and Performance award values and are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the three months ended March 31, 2021, the trustee purchased 1,323,000 common shares for a total cost of \$1.3 million. At March 31, 2021, 6,586,000 common shares were held in trust.

Related-Party and Off-Balance-Sheet Transactions

Crew was not involved in any off-balance-sheet transactions or related party transactions during the quarter ended March 31, 2021.

Contractual Obligations

Throughout the course of its ongoing business, the Company enters into various contractual obligations such as credit agreements, purchase of services, royalty agreements, operating agreements, transportation agreements, processing agreements, right of way agreements and lease obligations for office space. All such contractual obligations reflect market conditions prevailing at the time of contract and none are with related parties. The Company believes it has adequate sources of capital to fund all contractual obligations as they come due. The following table lists the Company's obligations with a fixed term.

(\$ thousands)	Total	2021	2022	2023	2024	2025	Thereafter
Bank Loan (note 1)	56,851	-	56,851	-	-	-	-
Senior unsecured notes (note 2)	300,000	-	-	-	300,000	-	-
Lease obligations	3,222	-	244	731	731	731	785
Firm transportation agreements	189,690	29,772	35,682	27,435	26,989	26,349	43,463
Firm processing agreement	195,562	14,103	18,718	18,718	18,752	18,718	106,553
Total	745,325	43,875	111,495	46,884	346,472	45,798	150,801

Notes:

- (1) Based on the existing terms of the Company's Facility the first possible repayment date may come in 2022. However, it is expected that the Facility will be extended and no repayment will be required in the near term.
 (2) Matures on March 14, 2024.

Lease obligations relate primarily to the Company's commitment to a third party for the lease of office space.

Firm transportation agreements include commitments to third parties to transport condensate, ngl and natural gas from gas processing facilities in northeast British Columbia.

Firm processing agreements include commitments to process natural gas through the Greater Septimus Processing Complex in northeast British Columbia.

ADDITIONAL DISCLOSURES

Risks and Uncertainties

Crew's activities expose it to a variety of financial and operational risks and uncertainties that arise as a result of its exploration, development, production, and financing activities. Crew's business could also be affected by additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial. If any of these risks actually occur, it could materially harm Crew's business, financial condition, results of operations, cash flows or impair the Company's ability to implement business plans or complete development activities as scheduled. While the following sections discuss some of these risks, they should not be construed as exhaustive. For additional information on the risks relating to Crew's business, see "Risk Factors" identified in Crew's most recent Annual Information Form.

a) Impact of the COVID-19 Pandemic

The emergence of the COVID-19 pandemic has resulted in emergency actions by governments worldwide, and has impacted Crew's results, business, financial and operating conditions, and has negatively impacted the Canadian, U.S., and global economies; disrupted Canadian, U.S., and global supply chains; disrupted financial markets; contributed to a decrease in interest rates; resulted in ratings downgrades, credit deterioration and defaults in many industries; forced the closure of many businesses, led to loss of revenues, increased unemployment and bankruptcies; and necessitated the imposition of quarantines, physical distancing, business closures, travel restrictions, and sheltering-in-place requirements in Canada, the U.S., and other countries. If the pandemic is prolonged, including through subsequent waves, or if additional variants of COVID-19 emerge which are more transmissible or cause more severe disease, or if other diseases emerge with similar effects, the adverse impact on the economy could worsen. Moreover, it remains uncertain how the macroeconomic environment, and societal and business norms will be impacted following this COVID-19 pandemic. As a result, the Company's business, financial and operational conditions, cash flows, reputation, access to capital, cost of borrowing, access to liquidity, and/or business plans may, in particular, and without limitation, be adversely impacted as a result of the pandemic and/or decline in commodity prices.

The full extent of the risks surrounding the severity and timing of the COVID-19 pandemic is continually evolving and is not fully known at this time. Therefore, there is significant risk and uncertainty which may have a material and adverse effect on the Company's operations.

b) Weakness and Volatility in the Oil and Natural Gas Industry

Weakness and volatility of the oil and natural gas industry may affect the value of Crew's reserves, and restrict its cash flow and ability to access capital to fund the development of its properties.

Market events and conditions, including global excess oil and natural gas supply, actions or inaction taken by the Organization of the OPEC+ nations, announcements by Saudi Arabia to relax quotas, sanctions against Iran and Venezuela, slowing growth in China and emerging economies, weakened global relationships, conflict between the U.S. and Iran, isolationist and punitive trade policies, U.S. shale production, sovereign debt levels and political upheavals in various countries including a growing anti-fossil fuel sentiment and the continuing impact of COVID-19 and travel bans, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant reduction in the valuation of Crew's reserves and a decrease in confidence in the oil and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, the difficulties encountered by midstream proponents to obtain on a timely basis or continue to maintain the necessary approvals to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the oil and natural gas industry in Western Canada has led to additional downward price pressure on crude oil, ngl and natural gas produced in Western Canada. The resulting price differential between WCS crude oil and WTI crude oil has created uncertainty and reduced confidence in the oil and natural gas industry in Western Canada.

Lower commodity prices may also affect the volume and value of Crew's reserves. In addition, lower commodity prices restrict the Company's cash flow resulting in less funds from operations being available to fund Crew's capital expenditure budget. Any decrease in value of Crew's reserves may reduce the Borrowing Base under its Facility, which, depending on the level of the Company's indebtedness, could result in Crew having to repay a portion of its indebtedness. In addition to possibly decreasing the value of the Company's economically recoverable reserves, lower commodity prices may also result in a decrease in the value of Crew's infrastructure and facilities, all of which could also have the effect of requiring a write down of the carrying value of the Company's crude oil, ngl and natural gas assets on its balance sheet and the recognition of an impairment charge in its income statement. Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Company may have difficulty raising additional funds or if it is able to do so, it may be on unfavourable and highly dilutive terms. If these conditions persist, Crew's cash flow may not be sufficient to continue to fund its operations and to satisfy its obligations when due, particularly its 2024 Notes, and the Company's ability to continue as a going concern and discharge its obligations will require additional equity or debt financing or proceeds or reduction in liabilities from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory to Crew or at all. Similarly, there can be no assurance that the Company will be able to realize any or sufficient proceeds or reduction in liabilities from asset sales to discharge its obligations and continue as a going concern.

c) Operational Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long term commercial success of Crew depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, the Company's existing reserves, and the production from them, will decline over time as the Company produces from such reserves.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Crew maintains diligent oversight and maintenance over operations to mitigate these risks, including responsible well supervision, effective maintenance operations and the

development of enhanced recovery technologies that contribute to maximizing production rates over time. It is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife.

Oil and natural gas production operations are also subject to geological and seismic risks, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on Crew's business, financial condition, results of operations and prospects.

As part of Crew's rigorous risk assessment, insurance is obtained to protect against major asset destruction or business interruptions. Although the Company maintains liability insurance and business interruption insurance in an amount that it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, the Company could incur significant costs.

The COVID-19 pandemic has also created additional operational risks for Crew, including the need to provide enhanced safety measures for its employees and customers; comply with rapidly changing regulatory guidance; address the risk of, attempted fraudulent activity and cybersecurity threat behavior; and protect the integrity and functionality of the Company's systems, networks, and data as a larger number of employees work remotely. The Company is also exposed to human capital risks due to issues related to health and safety matters, and other environmental stressors as a result of measures implemented in response to the COVID-19 pandemic, as well as the potential for a significant proportion of the Company's employees, including key executives, to be unable to work effectively, because of illness, quarantines, sheltering-in-place arrangements, government actions or other restrictions in connection with the pandemic.

d) Financial Risks

The extent to which the COVID-19 pandemic continues to impact the Company's financial results and condition or liquidity will depend on future developments in Canada, the U.S. and globally, including the development and widespread availability of efficient and accurate testing options, and effective treatment options or vaccines. Despite the approval of certain vaccines by the regulatory bodies in Canada and the U.S., the ongoing evolution of the development and distribution of an effective vaccine also continues to raise uncertainty.

Volatile oil, ngl and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil, ngl and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects. As a result, the Company hedges future revenue through commodity contracts to lock-in value and mitigate financial risk.

Historical Analysis

The following table summarizes Crew's key quarterly financial results for the past eight financial quarters:

<i>(\$ thousands, except per share amounts)</i>	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	June 30 2020	Mar. 31 2020	Dec. 31 2019	Sep. 30 2019	June 30 2019
Total daily production (boe/d)	26,258	21,666	20,207	22,074	23,894	22,446	22,824	22,865
Exploration and development expenditures	50,090	41,007	21,876	5,348	18,029	26,390	18,466	13,997
Property (dispositions)/acquisitions	-	(23,219)	(35)	44	(34,940)	82	7	(3,249)
Average wellhead price (\$/boe)	36.19	21.37	17.40	12.39	17.52	21.76	19.81	24.77
Petroleum and natural gas sales	85,517	42,604	32,344	24,889	38,094	44,941	41,597	51,543
Cash provided by operating activities	30,447	14,774	5,121	8,175	9,919	21,106	8,877	40,879
Adjusted funds flow ⁽¹⁾	33,995	15,568	8,549	4,633	12,400	16,086	16,664	22,513
Per share – basic	0.23	0.10	0.06	0.03	0.08	0.11	0.11	0.15
– diluted	0.22	0.10	0.06	0.03	0.08	0.11	0.11	0.15
Net income (loss)	1,353	34,668	(21,136)	(24,803)	(191,909)	(6,235)	(3,255)	15,375
Per share – basic	0.01	0.23	(0.14)	(0.16)	(1.27)	(0.04)	(0.02)	0.10
– diluted	0.01	0.22	(0.14)	(0.16)	(1.27)	(0.04)	(0.02)	0.10

Note:

(1) Non-IFRS 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 "Non-IFRS Measures" contained within this MD&A.

The Company conservatively managed capital spending through most of 2019 and 2020 due to weak Canadian natural gas prices. As a result, the Company's net capital expenditures, after proceeds from acquisitions and dispositions, have approximated adjusted funds flow over this period, effectively maintaining production at a consistent level. Towards the end of 2020, Crew developed a strategic two-year asset development plan to enhance long-term sustainability and create meaningful value. As a result, the Company increased capital expenditures in 2021 to execute on its plan.

The global outbreak of COVID-19 in early 2020 and subsequent measures intended to limit the pandemic contributed to significant volatility in the global financial markets. The pandemic adversely impacted global commercial activity and has significantly reduced worldwide demand for commodities including crude oil, natural gas and ngl. The result was significant volatility and a decline in the price of crude oil, ngl and natural gas during the first three quarters of 2020. The decline in crude oil and natural gas prices in the first quarter of 2020 resulted in a March 31, 2020 pre-tax impairment charge of \$267.3 million. The prospect of a global vaccination campaign against COVID-19 emerged in the latter part of 2020 resulting in a recovery in global markets including an improvement in global commodity prices. The recovery extended into early 2021 with global crude oil, ngl and natural gas prices significantly outperforming those seen throughout 2020. Additionally, a significant cold weather event in February 2021 in North America resulted in a short-term spike in natural gas prices that significantly impacted the Company's average wellhead price in the first quarter of 2021.

Significant volatility in commodity prices has impacted cash provided by operating activities, adjusted funds flow and net (loss) income throughout the past eight quarters. The Company has reduced the financial impact of volatile commodity prices by entering into derivative and physical risk management contracts which can cause significant fluctuations in income due to unrealized gains and losses recognized on a quarterly basis. Crew has also attempted to mitigate the lower price environment by reducing its controllable costs and achieving operational efficiencies. Despite these efforts, cash flow from operations used to fund the Company's capital program has been impacted.

Application of Critical Accounting Estimates

Crew's significant accounting policies are disclosed in note 4 of the December 31, 2020 consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Crew continuously refines its management and reporting systems to ensure that accurate, timely and useful information is gathered and disseminated. Crew's financial and operating results incorporate certain estimates including the following:

- Estimated accruals for revenues, royalties, operating expenses and general administrative expenses where actual revenues and costs have not been received;
- Estimated capital expenditures where actual costs have not been received or for projects that are in progress;
- Estimated depletion, depreciation and amortization charges are based on estimates of oil and gas reserves that Crew expects to recover in the future. As a key component in the depletion, depreciation and amortization calculation, the reserve estimates have a significant impact on net earnings and the Company's financial results could differ if there is a revision in our estimate of reserve quantities;
- Estimated future recoverable value of property, plant and equipment and any related impairment charges or recoveries are assessed for impairment when circumstances suggest the carrying amount may exceed its recoverable amount. The recoverable amount calculation requires the use of estimates which are subject to change as new information becomes available. Changes in assumptions used in determining the recoverable amount could affect the carrying value of the related assets;
- Estimated fair values of derivative contracts, which are used to manage commodity price, foreign currency and interest rate swaps, are determined using valuation models which require assumptions regarding the amount and timing of future cash flows and discount rates. As the Company's assumptions rely on external market data, the resulting fair value estimates may not be indicative of the amounts realized or settled and are therefore subject to market uncertainty;
- Decommissioning obligations are based on assumptions which take into consideration current economic factors and experience to date which Crew believes are reasonable. The actual cost of the Company's decommissioning obligations may change in response to numerous factors;
- Estimated deferred income tax assets and liabilities are based on current tax interpretations, regulations and legislation which are subject to change. As a result, there are usually a number of tax matters under review and therefore income taxes are subject to measurement uncertainty.

Crew hires employees and engages consultants who have the expertise to ensure these estimates are accurate and ensures departments with the most knowledge of the activity are responsible for the estimates. Past estimates are reviewed and analyzed regularly to ensure future estimates continue to track actuals. The emergence of new information and changed circumstances may result in actual results or changes to estimate amounts that differ materially from current estimates.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's internal controls over financial reporting that occurred during the period beginning on January 1, 2021 and ended on March 31,

2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No material changes in the Company's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

ADVISORIES

Conversions

The oil and gas industry commonly expresses production volumes and reserves on a "barrel of oil equivalent" basis ("boe"), whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum crude oil, condensate, other ngl and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants.

Throughout this MD&A, Crew has used the 6:1 boe measure which is the approximate energy equivalency of the two commodities at the burner tip. Boe does not represent a value equivalency at the wellhead nor at the plant gate which is where Crew sells its production volumes and therefore may be a misleading measure, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion may be misleading as an indication of value.

Non-IFRS Measures

Throughout this MD&A, the terms "adjusted funds flow", "EBITDA", "funds from operations", "operating netback", "net operating costs", "net debt", and "working capital surplus (deficiency)" are used which are non-IFRS financial measures. The Company uses these measures to help evaluate Crew's performance. These non-IFRS measures do not have any standardized meaning prescribed under IFRS and therefore, may not be calculated in a similar fashion nor comparable to similar measures presented by other entities. Management believes that the presentation of these non-IFRS measures provides useful information to shareholders and investors as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

a) Funds from Operations, Adjusted Funds Flow and EBITDA

Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital and accretion of deferred financing costs. Adjusted funds flow represents funds from operations before decommissioning obligations settled. 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 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 and actual settlements of decommissioning obligations, the timing of which is discretionary. Funds from operations, adjusted funds flow and EBITDA 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, adjusted funds flow and EBITDA 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 following table reconciles Crew's cash provided by operating activities to funds from operations and adjusted funds flow:

(\$ thousands)	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended March 31, 2020
Cash provided by operating activities	30,447	14,774	9,919
Change in operating non-cash working capital	2,708	19	2,645
Accretion of deferred financing costs	(246)	(246)	(245)
Funds from operations	32,909	14,547	12,319
Decommissioning obligations settled excluding grants	1,086	1,021	81
Adjusted funds flow	33,995	15,568	12,400
Interest	5,942	5,928	5,619
EBITDA	39,937	21,496	18,019

b) Operating Netback

Operating netback 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 an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's netbacks can be seen in the section entitled "Operating Netbacks" of this MD&A.

c) Net Operating Costs

Net operating costs equals operating costs net of processing revenue. Management net operating costs an important measure to evaluate its operational performance. The calculation of Crew's net operating costs can be seen in the section entitled "Net Operating Costs" of this MD&A.

d) Net debt and Working Capital (Deficiency) Surplus

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. The calculation of Crew's net debt and working capital (deficiency) surplus can be seen in the section entitled "Capital Management" of this MD&A.

Forward Looking Statements

This MD&A contains certain forward looking informational statements within the meaning of applicable securities laws. In particular, management's assessment of the potential and uncertain impact of COVID-19 on the Company's operations and results, future plans and operations, including the Company's two-year development plan and the associated guidance and material underlying assumptions contained in the section titled ("Guidance") herein, including annualized 2021 and 2022 production guidance, capital spending plans and budget estimates, drilling plans and the timing thereof, plans for the completion and tie-in of wells and anticipated on-stream dates, facility and pipeline construction, expansion, commissioning and the timing thereof, capital expenditures, timing of capital expenditures and methods of financing capital expenditures and the ability to fund financial liabilities, production estimates, expected commodity mix and prices, future net operating costs, future transportation costs, expected royalty rates, expected and forecasted general and administrative expenses and improved margins, expected interest rates and other financing charges, debt levels and expected debt levels, funds from operations and the timing of and impact of implementing accounting policies, expectations in regards to the Company's credit facilities, the potential outlook for refinancing the Company's unsecured notes prior to maturity, estimates regarding undeveloped land position and estimated future drilling, recompletion or reactivation locations, the potential for further property or infrastructure divestures and the anticipated impact of

potential future transactions may constitute forward looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and inability to access sufficient capital from internal and external sources. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward looking statements. Forward looking statements or information are based on a number of factors and assumptions 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 the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact measures taken to protect citizens from COVID-19 will have on global energy demand and global economies; the potential impact of government programs associated with COVID-19; the general stability of the economic and political environment in which Crew operates; the impact of increasing competition; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; potential changes in the Company's two-year development plan; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Crew's ability to obtain financing on acceptable terms; changes in the Company's banking facility; field production rates and decline rates; the ability to reduce net operating costs; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future petroleum and natural gas prices; currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and Crew's ability to successfully market its petroleum and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website (www.crewenergy.com).

The internal projections, expectations or beliefs underlying the Company's 2021 and 2022 capital expenditure plans, budgets and associated production guidance and corporate outlook for 2021 and beyond are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Crew's outlook for 2021 and beyond provides shareholders with relevant information on Management's expectations for results of operations, excluding any potential acquisitions, dispositions or strategic transactions that may be completed in 2021 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2021 and 2022 guidance and outlook may not be appropriate for other purposes. Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Dated as of May 6, 2021

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(unaudited) (thousands)</i>	March 31, 2021	December 31, 2020
Assets		
Current Assets:		
Accounts receivable	\$ 25,939	\$ 22,135
Derivative financial instruments (note 4)	589	4,718
	26,528	26,853
Derivative financial instruments (note 4)	1,293	3,681
Property, plant and equipment (note 5)	1,188,786	1,159,032
	\$ 1,216,607	\$ 1,189,566
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 47,678	\$ 46,496
Derivative financial instruments (note 4)	8,592	716
Decommissioning obligations (note 9)	3,556	-
	59,826	47,212
Bank loan (note 6)	56,851	35,994
Senior unsecured notes (note 7)	297,097	296,851
Lease obligations (note 8)	2,972	2,814
Decommissioning obligations (note 9)	85,179	93,178
Shareholders' Equity		
Share capital (note 10)	1,481,839	1,482,925
Contributed surplus	70,950	70,052
Deficit	(838,107)	(839,460)
	714,682	713,517
Commitments (note 13)		
	\$ 1,216,607	\$ 1,189,566

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

<i>(unaudited) (thousands, except per share amounts)</i>	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenue		
Petroleum and natural gas sales (note 11)	\$ 85,517	\$ 38,094
Royalties	(5,223)	(2,164)
Realized (loss) gain on derivative financial instruments	(17,348)	3,800
Unrealized (loss) gain on derivative financial instruments	(14,393)	14,339
Marketing and processing revenue (note 11)	554	872
	49,107	54,941
Expenses		
Operating	11,539	13,114
Transportation	9,852	6,971
General and administrative	2,199	2,498
Share-based compensation	574	918
Depletion and depreciation (note 5)	17,386	19,514
	41,550	43,015
Income from operations	7,557	11,926
Financing (note 12)	6,204	6,002
Impairment on property, plant and equipment	-	267,334
Gain on divestiture of property, plant and equipment	-	(15,938)
Income (loss) before income taxes	1,353	(245,472)
Deferred tax recovery	-	(53,563)
Net income (loss) and comprehensive income (loss)	\$ 1,353	\$ (191,909)
Net income (loss) per share (note 10)		
Basic	\$ 0.01	\$ (1.27)
Diluted	\$ 0.01	\$ (1.27)

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(unaudited) (thousands)</i>	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2021	151,182	\$1,482,925	\$ 70,052	\$ (839,460)	\$ 713,517
Net income for the period	-	-	-	1,353	1,353
Share-based compensation expensed	-	-	574	-	574
Share-based compensation capitalized	-	-	538	-	538
Issued from treasury on vesting of share awards	127	213	(213)	-	-
Released from trust on vesting of share awards	4	1	(1)	-	-
Purchase of shares held in trust (note 10)	(1,323)	(1,300)	-	-	(1,300)
Balance, March 31, 2021	149,990	\$ 1,481,839	\$ 70,950	\$ (838,107)	\$ 714,682

<i>(unaudited) (thousands)</i>	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2020	151,534	\$1,478,294	\$ 71,644	\$ (636,280)	\$ 913,658
Net loss for the period	-	-	-	(191,909)	(191,909)
Share-based compensation expensed	-	-	918	-	918
Share-based compensation capitalized	-	-	897	-	897
Issued from treasury on vesting of share awards	143	286	(286)	-	-
Released from trust on vesting of share awards	15	17	(17)	-	-
Balance, March 31, 2020	151,692	\$1,478,597	\$ 73,156	\$ (828,189)	\$ 723,564

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited) (thousands)</i>	Three months ended March 31, 2021	Three months ended March 31, 2020
Cash provided by (used in):		
Operating activities:		
Net income (loss)	\$ 1,353	\$ (191,909)
Adjustments:		
Unrealized loss (gain) on derivative financial instruments	14,393	(14,339)
Share-based compensation	574	918
Depletion and depreciation (note 5)	17,386	19,514
Financing expenses (note 12)	6,204	6,002
Interest expense (note 12)	(5,669)	(5,374)
Impairment on property, plant and equipment	-	267,334
Gain on divestiture of property, plant and equipment	-	(15,938)
Deferred tax recovery	-	(53,563)
Decommissioning obligations settled (note 9)	(1,086)	(81)
Change in non-cash working capital	(2,708)	(2,645)
	30,447	9,919
Financing activities:		
Increase (decrease) in bank loan	20,857	(21,087)
Payments on lease obligations (note 8)	-	(191)
Shares purchased and held in trust (note 10)	(1,300)	-
	19,557	(21,278)
Investing activities:		
Property, plant and equipment expenditures (note 5)	(50,090)	(18,029)
Property acquisitions	-	(4)
Property dispositions	-	34,944
Change in non-cash working capital	86	(5,552)
	(50,004)	11,359
Change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	\$ -	\$ -

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Unaudited) (Tabular amounts in thousands)

1. Reporting entity:

Crew Energy Inc. (“Crew” or the “Company”) is an oil and gas exploration, development and production company based in Calgary, Alberta, Canada. Crew conducts its operations in the Western Canada Sedimentary Basin, primarily in the provinces of British Columbia, Saskatchewan and Alberta. The condensed interim consolidated financial statements (the “financial statements”) of the Company are comprised of the accounts of Crew and its wholly owned subsidiary, Crew Oil and Gas Inc., which is incorporated in Canada, and two partnerships, Crew Energy Partnership and Crew Heavy Oil Partnership. Crew’s principal place of business is located at suite 800, 250 – 5th Street SW, Calgary, Alberta, Canada, T2P 0R4.

2. Basis of preparation:

These financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards (“IFRS”). The financial statements use the accounting policies which the Company applied in its annual consolidated financial statements for the year ended December 31, 2020. The financial statements do not include certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted. These financial statements are presented in Canadian dollars (“CDN”), which is the functional currency of the Company, its subsidiary and partnerships.

The financial statements were authorized for issuance by Crew’s Board of Directors on May 6, 2021.

3. COVID-19 estimation uncertainty:

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus (“COVID-19”). The pandemic and subsequent measures intended to limit its spread, contributed to significant volatility in global financial markets. The pandemic has adversely impacted global commercial activity and has reduced worldwide demand for commodities including crude oil, natural gas and natural gas liquids (“ngl”). The result was significant economic uncertainty and a decline in commodity prices through most of 2020. While the price for crude oil, natural gas and ngl has recovered to pre-pandemic levels in early 2021, the full extent of the impact of COVID-19 on the Company’s operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on financial markets on a macro-scale and any new information that may emerge concerning the effectiveness of available vaccines and the severity and spread of the virus and its variants. The pandemic presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by management in the preparation of its financial results.

The Company’s financial performance, operations and business are particularly sensitive to a reduction in the demand for and prices of crude oil and natural gas. The potential direct and indirect impacts of the economic downturn related to COVID-19 have been considered in management’s estimates and assumptions at period end and have been reflected in the Company’s results with any significant changes described in the relevant financial statements note.

The COVID-19 pandemic is an evolving situation that will continue to have widespread implications for the Company’s business environment, operations and financial condition. Management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Company’s financial statements in fiscal 2021 and beyond.

A full list of the key sources of estimation uncertainty can be found in note 4 of the annual consolidated financial statements for the year ended December 31, 2020. The pandemic and current market conditions have increased the complexity of estimates and assumptions used to prepare the financial statements, particularly related to the following key sources of estimation uncertainty:

Recoverable Amounts

Determining the recoverable amount of a cash-generating unit (“CGU”) or an individual asset requires the use of estimates and assumptions, which are subject to change as new information becomes available. The severe drop in and volatility of forecasted commodity prices, due to reasons noted above, have increased the risk of measurement uncertainty in determining the estimated recoverable amounts, especially estimating the economic proved and probable oil and gas reserves and the related cash flows, and estimating forecasted oil and gas commodity prices.

Decommissioning Costs

Provisions are recorded for the future decommissioning and restoration of the Company’s production facilities, wells and pipelines at the end of their economic lives. The Company assesses the existence and then estimates the future liability. Market volatility at March 31, 2021 increased the measurement uncertainty inherent in determining the appropriate discount rate that is used in the estimation of decommissioning liabilities.

Income Tax Provisions

Income taxes on earnings or loss in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual earnings or loss. In the current economic environment, the expected total annual earnings or expected earnings are subject to measurement uncertainty. Changes to these assumptions could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and the utilization of deferred tax assets, along with sufficient profit that will be realized to utilize these assets.

Accounts Receivable

The Company has increased its monitoring of receivables due from petroleum and natural gas marketers and from joint venture partners to manage credit risk. The Company historically has not experienced any collection issues with petroleum and natural gas marketers as a significant portion of these receivables are with creditworthy purchasers. To protect against credit losses from joint venture partners, the Company has the ability to withhold production in the event of non-payment and the ability to obtain the partners’ share of capital expenditures in advance of a project. The Company continues to expect that its receivables are substantially collectible at March 31, 2021.

4. Financial risk management:*Derivative contracts:*

In order to reduce the risk of future commodity price volatility, it is the Company’s policy to hedge a portion of its petroleum and natural gas sales through the use of various financial derivative forward sales contracts and physical sales contracts. The Company does not apply hedge accounting for these contracts. The Company’s production is usually sold using “spot” or near term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price. The Company, however, may give consideration in certain circumstances to the appropriateness of entering into fixed price marketing contracts. The Company does not enter into commodity contracts other than to meet the Company’s expected sale requirements.

The fair value of options and costless collars is based on option models that use published information with respect to volatility, prices and interest rates. The fair value of forward contracts and swaps is determined by discounting the difference between the contracted prices and published forward price curves as at the date of the statement of financial position, using the remaining contracted oil and natural gas volumes and a risk-free interest rate (based on published government rates).

At March 31, 2021, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
<i>Natural Gas – AECO Daily Index:</i>				
2,500 gj/day	April 1, 2021 - October 31, 2021	\$2.35/gj	Swap	\$ (60)
21,500 gj/day	April 1, 2021 - June 30, 2021	\$2.16/gj	Swap	(541)
7,500 gj/day	April 1, 2021 - December 31, 2021	\$2.59/gj	Swap	134
19,000 gj/day	July 1, 2021 - September 30, 2021	\$2.23/gj	Swap	(343)
17,500 gj/day	October 1, 2021 - December 31, 2021	\$2.47/gj	Swap	(384)
22,500 gj/day	November 1, 2021 - December 31, 2021	\$2.72/gj	Swap	(26)
15,000 gj/day	November 1, 2021 - March 31, 2022	\$2.72/gj	Swap	(68)
20,000 gj/day	January 1, 2022 - March 31, 2022	\$3.05/gj	Swap	396
15,000 gj/day	January 1, 2022 - December 31, 2022	\$2.42/gj	Swap	302
20,000 gj/day	April 1, 2022 - June 30, 2022	\$2.17/gj	Swap	82
5,000 gj/day	April 1, 2022 - October 31, 2022	\$2.19/gj	Swap	9
20,000 gj/day	July 1, 2022 - September 30, 2022	\$2.20/gj	Swap	102
20,000 gj/day	October 1, 2022 - December 31, 2022	\$2.44/gj	Swap	146
<i>Natural Gas – AECO Monthly Index:</i>				
2,500 gj/day	April 1, 2021 - October 31, 2021	\$2.05/gj	Swap	(218)
6,000 gj/day	April 1, 2021 - June 30, 2021	\$2.12/gj	Swap	(200)
2,500 gj/day	April 1, 2021 - December 31, 2021	\$2.45/gj	Swap	(46)
12,500 gj/day	April 1, 2021 - December 31, 2021	\$2.50 - \$2.85/gj	Collar ⁽¹⁾	300
10,000 gj/day	July 1, 2021 - September 30, 2021	\$2.19/gj	Swap	(183)
9,000 gj/day	October 1, 2021 - December 31, 2021	\$2.40/gj	Swap	(237)
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.84/gj	Swap	68
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.65 - \$2.95/gj	Collar ⁽²⁾	25
10,000 gj/day	January 1, 2022 - March 31, 2022	\$3.09/gj	Swap	307
2,500 gj/day	January 1, 2022 - March 31, 2022	\$2.75 - \$3.20/gj	Collar ⁽³⁾	35
7,500 gj/day	January 1, 2022 - December 31, 2022	\$2.36/gj	Swap	(11)
10,000 gj/day	April 1, 2022 - June 30, 2022	\$2.20/gj	Swap	40
10,000 gj/day	July 1, 2022 - September 30, 2022	\$2.22/gj	Swap	42
10,000 gj/day	October 1, 2022 - December 31, 2022	\$2.48/gj	Swap	102
<i>Natural Gas – CDN\$ Chicago Citygate Daily:</i>				
17,500 mmbtu/day	April 1, 2021 - October 31, 2021	\$3.47/mmbtu	Swap	1,012
<i>Natural Gas – CDN\$ Chicago Citygate Monthly:</i>				
7,500 mmbtu/day	April 1, 2021 - October 31, 2021	\$3.49/mmbtu	Swap	454
<i>Crude Oil – CDN\$ WTI:</i>				
250 bbl/day	April 1, 2021 - June 30, 2021	\$59.00/bbl	Swap	(347)
<i>Crude Oil – CDN\$ WCS:</i>				
500 bbl/day	April 1, 2021 - June 30, 2021	\$43.03/bbl	Swap	(820)
250 bbl/day	April 1, 2021 - December 31, 2021	\$44.00/bbl	Swap	(1,035)
250 bbl/day	July 1, 2021 - December 31, 2021	\$47.75/bbl	Swap	(474)
250 bbl/day	October 1, 2021 - December 31, 2021	\$57.20/bbl	Swap	17
250 bbl/day	January 1, 2022 - March 31, 2022	\$56.30/bbl	Swap	23

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
<i>(continued)</i>				
<i>CDN\$ Edmonton C5 Blended Index:</i>				
2,000 bbl/day	April 1, 2021 - June 30, 2021	\$62.40/bbl	Swap	(2,430)
250 bbl/day	April 1, 2021 - December 31, 2021	\$60.85/bbl	Swap	(787)
1,250 bbl/day	July 1, 2021 - December 31, 2021	\$61.32/bbl	Swap	(2,132)
250 bbl/day	January 1, 2022 - June 30, 2022	\$68.25/bbl	Swap	36
Total				\$ (6,710)
(1)	The referenced contract is a costless collar whereby the Company receives \$2.50/gj when the market price is below \$2.50/gj, and receives \$2.85/gj when the market price is above \$2.85/gj.			
(2)	The referenced contract is a costless collar whereby the Company receives \$2.65/gj when the market price is below \$2.65/gj, and receives \$2.95/gj when the market price is above \$2.95/gj.			
(3)	The referenced contract is a costless collar whereby the Company receives \$2.75/gj when the market price is below \$2.75/gj, and receives \$3.20/gj when the market price is above \$3.20/gj.			

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable, financial instruments, the bank loan and the senior unsecured notes and lease obligations. Accounts payable and accrued liabilities consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period. Accounts payable and financial instruments have contractual maturities of less than one year. To meet these obligations, the Company maintains a revolving credit facility, as outlined in note 6, which is subject to annual renewal by the lenders and has a contractual maturity in 2022, if not extended. The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures. The Company does not pay dividends. In addition, the Company issued \$300 million in senior unsecured notes in 2017 that are scheduled to mature in 2024, as discussed in note 7.

Capital management:

The Company considers its capital structure to include working capital, long-term debt (including the bank loan and senior unsecured notes) and shareholders' equity. Crew's primary capital management objective is to maintain a strong financial position in order to continue to fund the Company's sustainability. Crew monitors its capital structure and makes adjustments on an ongoing basis in order to maintain the flexibility needed to achieve the Company's long-term objectives. To manage its capital structure, the Company may adjust capital spending, hedge future revenue through commodity contracts, issue new equity, issue new debt or raise funds through asset sales.

With 38% drawn on the Company's \$150 million Facility and the senior unsecured notes termed out to 2024, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations. The Company will continue to monitor debt levels and, if necessary, it will consider divesting of non-core properties, adjust its annual capital expenditure program or may consider other forms of financing to improve its financial position.

Net debt:

Capital Management includes the monitoring of net debt as part of the Company's capital structure.

The following table outlines Crew's calculation of net debt:

	March 31, 2021	December 31, 2020
Current assets	\$ 26,528	\$ 26,853
Current liabilities	(59,826)	(47,212)
Derivative financial instruments	8,003	(4,002)
Decommissioning obligations	3,556	-
Working capital deficiency	\$ (21,739)	\$ (24,361)
Bank loan	(56,851)	(35,994)
Senior unsecured notes	(297,097)	(296,851)
Net debt	\$ (375,687)	\$ (357,206)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Facility is subject to a semi-annual review of the Borrowing Base which is directly impacted by the value of the oil and natural gas reserves (Bank loan – note 6).

Funds from operations and adjusted funds flow:

One of the benchmarks Crew uses to evaluate its capital management is funds from operations and adjusted funds flow. Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital and accretion of deferred financing costs. Adjusted funds flow represents funds from operations before decommissioning obligations settled. 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 and actual settlements of decommissioning obligations, the timing of which is discretionary.

	Three months ended March 31, 2021	Three months ended March 31, 2020
Cash provided by operating activities	\$ 30,447	\$ 9,919
Change in operating non-cash working capital	2,708	2,645
Accretion of deferred financing costs (note 12)	(246)	(245)
Funds from operations	\$ 32,909	\$ 12,319
Decommissioning obligations settled excluding grants (note 9)	1,086	81
Adjusted funds flow	\$ 33,995	\$ 12,400

5. Property, plant and equipment:

Cost	Total
Balance, January 1, 2020	\$ 2,626,078
Additions	86,260
Acquisitions	13,019
Divestitures	(16,061)
Change in decommissioning obligations	8,512
Capitalized share-based compensation	2,186
Balance, December 31, 2020	\$ 2,719,994
Additions	50,090
Increase in right-of-use assets	131
Change in decommissioning obligations	(3,619)
Capitalized share-based compensation	538
Balance, March 31, 2021	\$ 2,767,134
Accumulated depletion and depreciation	Total
Balance, January 1, 2020	\$ 1,224,450
Depletion and depreciation expense	71,054
Divestitures	(1,876)
Impairment	267,334
Balance, December 31, 2020	\$ 1,560,962
Depletion and depreciation expense	17,386
Balance, March 31, 2021	\$ 1,578,348
Net book value	Total
Balance, March 31, 2021	\$ 1,188,786
Balance, December 31, 2020	\$ 1,159,032

The calculation of depletion and depreciation expense for the three months ended March 31, 2021 included estimated future development costs of \$1,590.9 million (December 31, 2020 - \$1,616.0 million) associated with the development of the Company's proved plus probable reserves and excludes salvage value of \$71.0 million (December 31, 2020 - \$70.5 million) and undeveloped land of \$147.1 million (December 31, 2020 - \$148.0 million) related to future development acreage with no associated reserves.

Included in depletion and depreciation expense for the three months ended March 31, 2021, is \$0.1 million (December 31, 2020 - \$0.4 million) related to the right-of-use assets for the Company's leases. As at March 31, 2021, the net book value of these right-of-use assets is \$2.6 million (December 31, 2020 - \$2.6 million).

There were no indicators of impairment or reversal for the Company's CGUs as at March 31, 2021, and therefore an impairment test was not performed.

6. Bank loan:

As at March 31, 2021, the Company's bank facility consists of a revolving line of credit of \$125 million and an operating line of credit of \$25 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 4, 2021. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. The Facility requires the Company to maintain a Liability Management Rating ("LMR") of greater than 1.2:1 in the provinces of Alberta and Saskatchewan, and greater than 2.0:1 in the province of British Columbia, if the uninflated, undiscounted abandonment and reclamation liabilities ("Decommissioning Obligations"), as determined by the individual province, is greater than \$20 million. If the LMR falls below the required level in any province, the lenders have the option to re-determine the Borrowing Base. As at March 31, 2021, the

Company's Decommissioning Obligations exceeded \$20 million only in the province of British Columbia, which carried an LMR of 7.4:1. There can be no assurance that the amount of the available Facility will not be adjusted at the next scheduled Borrowing Base review on or before June 4, 2021. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Advances under the Facility are available by way of prime rate loans with interest rates between 2.00 percent and 5.50 percent over the bank's prime lending rate and bankers' acceptances and LIBOR loans, which are subject to stamping fees and margins ranging from 3.00 percent to 6.50 percent depending upon the secured debt to EBITDA ratio of the Company calculated at the Company's previous quarter end. Standby fees are charged on the undrawn Facility at rates ranging from 0.75 percent to 1.63 percent depending upon the secured debt to EBITDA ratio. As at March 31, 2021, the Company's applicable pricing included a 2.25 percent margin on prime lending, a 3.25 percent stamping fee and margin on bankers' acceptances and LIBOR loans along with a 0.81 percent per annum standby fee on the portion of the Facility that is not drawn. Borrowing margins and fees are reviewed annually as part of the bank syndicate's annual renewal.

At March 31, 2021, the Company had issued letters of credit totaling \$11.7 million (December 31, 2020 - \$9.4 million).

7. Senior unsecured notes:

On March 14, 2017, the Company issued \$300 million of 6.5% senior unsecured notes, due March 14, 2024 (the "2024 Notes"). The 2024 Notes are guaranteed, jointly and severally, on an unsecured basis, by each of the Company's current and future restricted subsidiaries. Interest on the 2024 Notes accrues at the rate of 6.5% per year and is payable semi-annually.

At any time on or after March 14, 2020, the Company may redeem, on any one or more occasions, all or part of the 2024 Notes at the redemption prices set forth below, plus any accrued and unpaid interest:

Year ⁽¹⁾	Percentage
2021	102.145%
2022	101.040%
2023 and thereafter	100.000%

(1) For the 12 month period beginning on March 14 of each year.

Upon the occurrence of a change of control, the Company will be required to offer to repurchase each holder's notes at a price equal to not less than 101% of the principal amount, plus any accrued and unpaid interest.

At March 31, 2021, the carrying value of the 2024 Notes was net of deferred financing costs of \$2.9 million (December 31, 2020 - \$3.1 million).

8. Lease obligations:

	As at March 31, 2021	As at December 31, 2020
Less than 1 year	\$ -	\$ -
1 – 3 years	1,156	974
After 3 years	2,066	2,117
Total undiscounted future lease payments	\$ 3,222	\$ 3,091
Total undiscounted future interest payments	(357)	(382)
Present value of lease obligations	\$ 2,865	\$ 2,709
Current portion of lease obligations, included in accounts payable and accrued liabilities	107	105
Long-term portion of lease obligations	\$ 2,972	\$ 2,814

	Three months ended March 31, 2021	Year ended December 31, 2020
Principal payments	\$ -	\$ 187
Interest payments	27	102
Total	\$ 27	\$ 289

The Company's total undiscounted future lease payments of \$3.2 million (December 31, 2020 – \$3.1 million) equate to future lease obligations. This amount excludes commitments for firm transportation and processing agreements, as disclosed in note 13, as they do not meet the definition of a lease as the Company does not control the asset or receive substantially all of the asset's economic benefits.

9. Decommissioning obligations:

	Three months ended March 31, 2021	Year ended December 31, 2020
Decommissioning obligations, beginning of period	\$ 93,178	\$ 87,024
Obligations incurred	1,587	2,275
Obligations acquired	-	1,229
Obligations settled	(1,086)	(3,115)
Obligations divested	-	(1,693)
Change in estimated future cash outflows	(5,206)	6,237
Accretion of decommissioning obligations	262	1,221
Decommissioning obligations, end of period	\$ 88,735	\$ 93,178

The Company's decommissioning obligations result from its ownership interest in oil and natural gas assets, including well sites and facilities. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be \$88.7 million as at March 31, 2021 (December 31, 2020 – \$93.2 million) based on an inflation adjusted undiscounted total future liability of \$122.2 million (December 31, 2020 – \$108.6 million). These payments are expected to be made over the next 40 years, with the majority of costs to be incurred between 2024 and 2038. The inflation rate applied to the liability is 1.62% (December 31, 2020 – 1.38%). The discount factor, being the risk-free rate related to the liability, is 1.90% (December 31, 2020 – 1.10%). The \$5.2 million (December 31, 2020 – \$6.2 million) change in estimated future cash outflows for the three months ended March 31, 2021 is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

Included in decommissioning obligations settled is \$nil (December 31, 2020 – \$1.1 million) related to government grants earned for well site rehabilitation.

10. Share capital:

At March 31, 2021, the Company was authorized to issue an unlimited number of common shares with the holders of common shares entitled to one vote per share.

Restricted and performance award incentive plan:

The Company has a Restricted and Performance Award Incentive Plan ("RPAP") which authorizes the Board of Directors to grant restricted awards ("RAs") and performance awards ("PAs") to directors, officers, employees, consultants or other service providers of Crew and its affiliates.

Subject to terms and conditions of the RPAP, each RA and PA entitles the holder to an award value to be typically paid as to one-third on each of the first, second and third anniversaries of the date of grant. For the purpose of calculating share-based compensation, the fair value of each award is determined at the grant date using the closing price of the common shares. In the case of PAs, the award value is adjusted for a payout multiplier which can range from 0.0 to 2.0 and is dependent on the

performance of the Company relative to pre-defined corporate performance measures for a particular period. On the vesting dates, the Company has the option of settling the award value in cash or common shares of the Company.

Subsequent to May 21, 2018, being the third anniversary from the date the Company last obtained approval from shareholders for the continued issuance of common shares from treasury under the RPAP, the Company is no longer eligible to issue common shares from treasury to settle the award value of any newly granted RAs and PAs. The Company remains eligible to settle the award value for any such grants either in cash or in common shares acquired by an independent trustee in the open market for such purposes. Common shares acquired in the open market are held in trust for the potential future settlement of award values and are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the three months ended March 31, 2021, the trustee purchased 1,323,000 common shares for a total cost of \$1.3 million and as at March 31, 2021 the trustee holds 6,586,000 common shares in trust.

Upon the vesting and settlement of 35,000 RAs and 65,000 PAs, when taking into account the earned multipliers for PAs, 127,000 common shares of the Company were issued from treasury and 4,000 common shares were released from trust for the three months ended March 31, 2021.

The number of RAs and PAs outstanding are as follows:

	Number of RAs	Number of PAs
Balance, January 1, 2021	3,746	4,435
Vested	(35)	(65)
Forfeited	(40)	(39)
Balance, March 31, 2021	3,671	4,331

Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the three month period ended March 31, 2021 was 150,800,000 (March 31, 2020 – 151,586,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the three month period ended March 31, 2021, 7,154,000 (March 31, 2020 – nil) shares were added to the weighted average common shares outstanding to account for the dilution. For the three month period ended March 31, 2021, there were nil (March 31, 2020 – 3,566,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive.

11. Revenue:

Petroleum and natural gas sales:

Crew sells its production pursuant to fixed or variable-price contracts. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under the contracts, the Company is required to deliver a fixed or variable volume of crude oil, condensate, other ngl or natural gas to the customer. Revenue is recognized when a unit of production is delivered to the customer. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue relates specifically to the Company's efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable revenue is considered constrained.

Crude oil, condensate and ngl are sold under contracts of varying terms of up to one year. The Company's natural gas is sold through a combination of spot sales, month ahead physical sales, short term and multi-year contracts. Revenues are typically collected on the 25th day of the month following production.

The following table summarizes the Company's petroleum and natural gas sales, all of which are from revenue with contracts with customers:

	Three months ended March 31, 2021	Three months ended March 31, 2020
Light crude oil	\$ 893	\$ 878
Heavy crude oil	5,003	2,788
Natural gas liquids	2,931	1,012
Condensate	17,001	16,665
Natural gas	59,689	16,751
	\$ 85,517	\$ 38,094

Marketing and processing revenue:

The following table summarizes the Company's marketing and processing revenue:

	Three months ended March 31, 2021	Three months ended March 31, 2020
Marketing revenue	\$ -	\$ 233
Processing revenue	554	639
	\$ 554	\$ 872

12. Financing:

	Three months ended March 31, 2021	Three months ended March 31, 2020
Interest expense	\$ 5,669	\$ 5,374
Interest on lease obligations	27	-
Accretion of deferred financing costs	246	245
Accretion of decommissioning obligations	262	383
	\$ 6,204	\$ 6,002

13. Commitments:

	Total	2021	2022	2023	2024	2025	Thereafter
Firm transportation agreements	\$ 189,690	\$ 29,772	\$ 35,682	\$ 27,435	\$ 26,989	\$ 26,349	\$ 43,463
Firm processing agreements	195,562	14,103	18,718	18,718	18,752	18,718	106,553
Total	\$ 385,252	\$ 43,875	\$ 54,400	\$ 46,153	\$ 45,741	\$ 45,067	\$ 150,016

Firm transportation agreements include commitments to third parties to transport condensate, ngl and natural gas from gas processing facilities in northeast British Columbia.

Firm processing agreements include commitments to process natural gas through the Greater Septimus Processing Complex in northeast British Columbia.

DIRECTORS & OFFICERS

OFFICERS

Dale O. Shwed

President and Chief Executive Officer

John G. Leach, CPA, CA

Executive Vice President and Chief Financial Officer

James Taylor

Chief Operating Officer

Jamie L. Bowman

Senior Vice President, Marketing & Originations

Kurtis Fischer

Vice President, Business Development

Paul Dever

Vice President, Government & Stakeholder Relations

Kevin G. Evers, P. Geol.

Vice President, Geosciences

Mark Miller

Vice President, Land and Negotiations

BOARD OF DIRECTORS

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Chairman Independent Director

Dennis L. Nerland

Independent Director

Karen Nielsen

Independent Director

Ryan Shay, CPA, CA

Independent Director

Dale O. Shwed

President, Crew Energy Inc.

David G. Smith

Independent Director

CORPORATE SECRETARY

Michael D. Sandrelli

Partner, Burnet, Duckworth & Palmer LLP

ABBREVIATIONS

bbl barrels

bbl/d barrels per day

bcf billion cubic feet

boe barrels of oil equivalent (6 mcf: 1 bbl)

bopd barrels of oil per day

mboe thousand barrels of oil equivalent (6 mcf: 1 bbl)

mboe million barrels of oil equivalent (6 mcf: 1 bbl)

mcf thousand cubic feet

mcf/d thousand cubic feet per day

mmcf million cubic feet

mmcf/d million cubic feet per day

ngl natural gas liquids