

Crew Energy Inc. (TSX: CR, OTCQB: CWEGF) (“Crew” or the “Company”), a growth-oriented natural gas weighted producer operating exclusively in the world-class Montney play in northeast British Columbia, is pleased to announce our operating and financial results for the three and nine month periods ended September 30, 2021.

“Crew benefitted from positive market developments in the third quarter as commodity prices reached levels unseen in recent history, enabling the Company to capture value from our world-class resource to generate meaningful adjusted funds flow¹ (“AFF”),” said Dale Shwed, President and CEO of Crew. “Crew exceeded previously announced quarterly production guidance by 13% at the midpoint, due largely to the successful execution of our capital program. In addition, we are now a pure-play Montney producer with an improved environmental profile after the sale of our Lloydminster heavy crude oil operations. We are excited to advance our two-year plan to create sustainable value for shareholders by increasing production into a strengthening commodity price environment, while also reducing per unit costs to expand margins.”

Q3 2021 HIGHLIGHTS

- **23,659 boe per day¹** (142.0 mmcf per day) of average production in Q3/21, a 17% increase over Q3/20 and 13% above the midpoint of production guidance range of 20,000 to 22,000 boe per day¹, a result of the successful execution of our capital program highlighted by production from the new 1-8 pad and the quick turnaround of the West Septimus gas plant in 7.5 days. For the first nine months of 2021, volumes averaged 25,532 boe per day¹ (153.2 mmcf per day), a 16% increase over the same period in 2020.
- **\$26.5 million of AFF²** (\$0.17 per fully diluted share) was generated in the quarter, a 210% increase over Q3/20, with year-over-year growth being bolstered by higher production, lower cash costs and significantly improved commodity prices. AFF¹ in the first nine months of 2021 totaled \$86.0 million (\$0.55 per share), 236% higher than the same period in 2020.
- **\$176.2 million of net income** (\$1.12 per fully diluted share) compared to a net loss of \$21.1 million (\$0.14 per fully diluted share) in the comparable period of 2020, with the increase due primarily to the reversal of a previous impairment charge of \$228.5 million, net of depletion.
- **11% reduction in net operating costs²** per unit in Q3/21, totaling \$5.11 per boe compared to \$5.74 per boe in Q3/20, reflecting lower average net operating costs from new production at West Septimus and improved operational efficiencies, supporting an 86% year-over-year increase in operating netback² to \$16.07 per boe. The previously announced disposition of our Lloydminster heavy crude oil operations on September 24, 2021, is expected to reduce operating costs by approximately \$0.70 per boe going forward.
- **\$56.5 million of net capital expenditures²** in Q3/21, below our previously forecast range of \$60 to \$70 million due to the recently announced disposition of the Company’s Lloydminster heavy crude oil operations offsetting total exploration and development spending of \$64.3 million. The majority of expenditures were directed towards continued development at Septimus and West Septimus (“Greater Septimus”).
- **Three new Groundbirch wells** were completed in Q3/21, achieving a combined restricted rate of 32 mmcf per day at the end of an 18-day flowback period in October, establishing a promising new development area with over 70,000 acres of contiguous land.
- **Achieved record throughput** of 115 mmcf per day of sales gas at the West Septimus gas plant at its peak in October, leading to record high natural gas production levels of 149 mmcf per day.

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

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 “Advisories - Non-IFRS Measures” contained within this report.

- **\$404.1 million of net debt²** at September 30, 2021, with no near-term maturities and no financial covenants or repayment requirements on the \$300 million of senior notes termed out until 2024. The Company's bank syndicate completed its fall review, confirming the facility at \$150 million until the next review in the second quarter of 2022.
- **Completed the sale of Crew's Lloydminster heavy crude oil operations** (as previously announced in Crew's press release dated October 28, 2021), successfully accomplishing our corporate evolution to become a pure play Montney producer. Divestment of these assets sets the stage for Crew to improve efficiencies, significantly reduce our Greenhouse Gas ("GHG") emissions intensity going forward, and decrease overall decommissioning obligations by nearly 40%.
- **Advanced our corporate sustainability initiatives** through listing on OTCQB market under the ticker 'CWEGF', which expands our audience scope, pool of capital, and provides U.S. investors greater flexibility and ease to trade in the Company's common shares.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL (\$ thousands, except per share amounts)	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Petroleum and natural gas sales	75,628	32,344	229,695	95,327
Adjusted funds flow¹	26,511	8,549	86,036	25,582
Per share – basic	0.17	0.06	0.56	0.17
- diluted	0.17	0.06	0.55	0.17
Net Income (loss)	176,183	(21,136)	154,398	(237,848)
Per share – basic	1.14	(0.14)	1.01	(1.56)
- diluted	1.12	(0.14)	0.99	(1.56)
Exploration and development expenditures	64,295	21,876	135,583	45,253
Net property dispositions	(7,816)	(35)	(7,816)	(34,931)
Net capital expenditures	56,479	21,841	127,767	10,322

Capital Structure (\$ thousands)	As at Sept. 30, 2021	As at Dec. 31, 2020
Working capital deficiency ¹	35,093	24,361
Bank loan	71,460	35,994
	106,553	60,355
Senior unsecured notes	297,588	296,851
Total net debt¹	404,141	357,206
Common shares outstanding (thousands)	156,577	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.

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Operations				
Daily production				
Light crude oil (bbl/d) ¹	148	159	158	188
Heavy crude oil (bbl/d)	1,009	1,464	1,072	1,389
Natural gas liquids ("ngl") ² (bbl/d)	2,242	1,894	2,442	2,109
Condensate (bbl/d)	2,350	2,247	2,691	2,739
Conventional natural gas (mcf/d)	107,459	86,658	115,016	93,763
Total (boe/d @ 6:1)	23,659	20,207	25,532	22,052
Average prices³				
Light crude oil (\$/bbl)	78.29	43.93	71.26	37.56
Heavy crude oil (\$/bbl)	65.59	37.82	59.41	25.79
Natural gas liquids (\$/bbl)	23.76	11.08	16.09	7.71
Condensate (\$/bbl)	81.47	43.53	75.30	41.77
Conventional natural gas (\$/mcf)	4.65	1.97	4.56	1.86
Oil equivalent (\$/boe)	34.75	17.40	32.95	15.78

Notes:

- ⁽¹⁾ The Company does not have any medium crude oil as defined by NI 51-101.
- ⁽²⁾ Throughout this report, ngls comprise all natural gas liquids as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), other than condensate, which is disclosed separately, and natural gas means conventional natural gas by NI 51-101 product type.
- ⁽³⁾ Average prices are before deduction of transportation costs and do not include realized gains and losses on derivative financial instruments.

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Netback (\$/boe)				
Petroleum and natural gas sales	34.75	17.40	32.95	15.78
Royalties	(2.74)	(0.76)	(2.27)	(0.74)
Realized commodity hedging (loss) gain	(6.22)	1.90	(5.64)	2.33
Marketing loss ¹	-	(0.28)	-	(0.13)
Net operating costs ^{2,3}	(5.11)	(5.74)	(4.84)	(5.72)
Transportation costs	(4.61)	(3.89)	(4.28)	(3.49)
Operating netback ³	16.07	8.63	15.92	8.03
General and administrative ("G&A")	(1.05)	(0.79)	(0.97)	(0.91)
Financing costs on long-term debt	(2.84)	(3.25)	(2.61)	(2.88)
Adjusted funds flow ³	12.18	4.59	12.34	4.24

Notes:

- ⁽¹⁾ Marketing loss 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.

TWO-YEAR PLAN PROGRESS³

In Q3/21, Crew continued to advance our two-year development plan that was announced in late 2020:

- **AFF Supported by Higher Prices** – AFF⁴ of \$26.5 million in Q3/21 has been augmented by the continued improvement of commodity markets. Our full year 2021 AFF⁴ forecast remains between \$120 to \$140 million. Crew intends to announce updated 2022 guidance in December 2021.
- **Production Growth** – Q3/21 production averaged 23,659 boe per day⁵, 13% above the midpoint of our previously announced quarterly guidance range of 20,000 to 22,000 boe per day and is on track to generate annual 2021 average production between 26,000 to 28,000 boe per day⁵.
- **Optimized Capital Program** – Building on momentum realized to date in 2021, Crew now plans to drill 26 and complete 21 wells (compared to our previous guidance of drilling and completing 21 wells) by the end of 2021, carrying forward ten drilled and uncompleted wells into 2022. Crew intends to implement the expanded program within our previous net capital expenditures guidance range of \$150 to \$170 million.
- **Reduced Costs** – Crew's plan to reduce per unit costs by over 25% from 2020 to 2022 is largely based on increasing production volumes into existing infrastructure, as over 50% of the Company's expenses are fixed. Additional Montney production into Crew infrastructure is expected to have fixed and variable operating costs of approximately \$1.40 per boe. 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 between \$9.00 and \$10.00 per boe in 2022⁶, representing decreases of 32% and 24%, respectively. The Company has taken significant steps towards achieving these goals with the addition of production from the 1-8 West Septimus and 4-17 Groundbirch pads, leading to more efficient use of the 120 mmcf per day of sales gas capacity at our West Septimus plant and the 60 mmcf per day of sales gas capacity at the Septimus gas plant. Crew has reduced net operating costs⁴ from \$5.74 per boe in Q3/20 to \$5.11 per boe in Q3/21, and we expect that the sale of the Lloydminster operations will reduce unit operating costs by approximately \$0.70 per boe.
- **Balanced Hedging** – An active risk management program ensures the Company generates sufficient AFF to execute our planned capital programs under various pricing environments. Crew currently has approximately 75,000 GJ's per day of natural gas production for 2022 hedged at an average price of \$2.63 per GJ (or \$3.21 per mcf using Crew's heat content factor).
- **Debt Reduction** – Based on projected capital spending and current forward commodity prices, Crew's previously announced 2021, year end debt to last twelve-month ("LTM") EBITDA⁴ is on track to be at the lower end of the forecasted range of 2.7x to 2.5x and is trending towards 1.0x by the end of 2022.

OPERATIONS & AREA OVERVIEW

NE BC Montney (Greater Septimus)

- Production at Greater Septimus averaged 20,237 boe per day⁵ in Q3/21, a 12% decrease from the preceding quarter and an 18% increase year-over-year. Volumes were affected by a scheduled facility turnaround at Crew's West Septimus gas plant and were partially offset by the activation of seven new wells in the West Septimus field.
- Production at the West Septimus gas plant, which has a nameplate capacity of 120 mmcf per day of sales gas, achieved record processing volumes of 115 mmcf per day in late October driving corporate production over 30,000 boe per day⁵.
- The prescheduled West Septimus gas plant shutdown was completed ahead of schedule with zero recordable injuries, minimizing the shutdown's impact on production volumes and overall operations.

³ Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

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 production breakdown by product type as defined in NI 51-101.

⁶ See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

- Nine ultra-extended reach horizontal natural gas wells were drilled and seven wells were completed in Q3/21 at Greater Septimus. One of the wells accomplished a new corporate record with a total drilled length of 6,634 meters. The seven well 1-8 pad has been producing at restricted rates with the 9-5 pad into a 10-inch pipeline at approximately 50,000 mmcf per day.
- In Q3/21, Crew completed the construction of a 4.3 kilometre, 12-inch gas trunkline and a 4.3 kilometre, 8-inch liquids gathering pipeline into North Septimus to allow for further development in the area, which is expected to represent an extension of the West Septimus ultra condensate rich play. Crew's new ten well 4-14 pad was drilled during the quarter and will be the anchor development in the area.
- Crew completed the installation of a waste heat recovery system on budget and on schedule during Q3/21 to manage our environmental footprint and optimize operations. The system is operating as expected and is on track to reduce GHG emissions by 7,700 tCO₂e per year and expand condensate capacity to 5,000 bbls per day. Crew gratefully acknowledges assistance from the Province of British Columbia for their support of this project.

Groundbirch

- As announced in Crew's press release dated October 28, 2021, three wells were completed at the 4-17 pad at Groundbirch during Q3/21. The wells achieved rates of 32 mmcf per day⁷ over the 18-day flowback period and are now shut in for a period of two weeks to enable the installation of permanent production facilities.
 - The successful validation of this test pad, along with the evaluation of two distinct zones within the Groundbirch Montney, represent strategically important milestones for Crew given that these drilling results represent the foundation for development of a new core area at Groundbirch. Based on a combination of production and pressure test data, we believe that these wells have the potential to be the most prolific gas wells the Company has drilled to date.
 - Crew owns over 70,000 net acres of contiguous land in the Greater Groundbirch area and has an additional five well authorization permits at the 4-17 pad to follow up on the success of the first three wells. We expect that at least two additional zones in the Groundbirch Montney are potentially prospective and we are currently advancing plans to test those zones in the future.
 - The Company completed construction of a 6.1 kilometre 12-inch pipeline in Q3/21 to connect the new wells with Crew's processing infrastructure at our West Septimus gas plant.

Other NE BC Montney

- We continue to evaluate encouraging offset operator activity in the Tower, Attachie and Oak/Flatrock areas.

CORPORATE SUSTAINABILITY AND ESG INITIATIVES

Crew's environmental, social and governance ("ESG") initiatives continue to be a prime focus as we continue our unwavering commitment to safe and responsible energy production. During the third quarter of 2021, Crew released our inaugural 2020 ESG report in an environmentally conscious online format, outlining our efforts to promote operational innovation, reduce our environmental footprint, support stakeholders and protect our employees' health and safety. Please visit <https://esg.crewenergy.com> to learn more.

In addition to our ESG report, Crew advanced our corporate sustainability initiatives through listing on OTCQB market, which expands our audience scope, pool of capital, and provides U.S. investors greater flexibility and ease to trade. Further, Crew continued to be active in our ongoing stakeholder engagement efforts by participating in virtual investor conferences and industry meetings, with a goal of ensuring two-way communication with stakeholders and conveying Crew's recent achievements.

- In Q3/21, Crew completed the previously announced non-core asset sale of our Lloydminster heavy crude oil operations, making the Company a pure-play Montney natural gas focused producer. Given Lloydminster represented Crew's most emission-intensive asset, we will have removed 46% of our direct 2020 GHG emissions (Scope 1) and anticipate our total

⁷ See 'Test Results and Initial Production Rates' in the Advisoires.

GHG emissions intensity will be reduced significantly going forward. The asset sale sets the stage for Crew to streamline operations and improve efficiencies while reducing our overall decommissioning obligations by nearly 40%, representing approximately \$34.5 million associated with 609 gross (539 net) wellbores.

- Crew completed the installation of a waste heat recovery system on budget and on schedule during Q3/21. The system is operating as expected and is on track to reduce corporate GHG emissions by 7,700 tCO₂e per year.
- Crew's Septimus 4-14 pad was drilled during Q3/21 and allows for the development of 11 square kilometres of reservoir from one surface lease, thereby minimizing land disturbance.
- In Q3/21, the Company maintained our strong regulatory compliance record, achieving a 95% compliance rating with 62 regulatory inspections completed.
- The Company recorded no spills of significance and no lost time injuries in the third quarter.

OUTLOOK⁸

- **Full Year 2021 Guidance on Track** – Crew is pleased to confirm our full year 2021 guidance and plans to announce the Company's 2022 budget in December 2021:

	2021 Guidance	Updated 2022 Guidance ²
Annual Production (boe/d)	26,000 to 28,000	31,000 to 33,000
Net Capital Expenditures (\$MM)	\$150 to \$170	\$70 to \$95
AFF¹	\$120 to \$140	\$190 to \$210
Wells Drilled	26	
Wells Completed	21	

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.
- (2) Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

- **Updated full year 2022 production guidance** was reduced by 1,000 boe per day to reflect the sale of the Lloydminster heavy oil operations.
- **Q4 2021 Production** – After the disposition of 1,050 boe per day⁹ of Lloydminster heavy oil assets, Q4/21 volumes are anticipated to average between 28,000 to 29,000 boe per day⁹.
- **Full Year 2021 Guidance Reaffirmed** – Forecast full year 2021 average volumes are expected to remain within our previously announced guidance range of 26,000 to 28,000 boe per day⁹, with full year net capital expenditures between \$150 to \$170 million.
- **Near Term Initiatives**
 - Use forecasted free AFF¹⁰ in Q4/21 to reduce debt;
 - Invest in capital projects with strong rates of return and payouts under 12 months, which can be supported by an active hedging program;
 - Test new zones in the Upper Montney "C" and the Lower Montney at the North Septimus 4-14 pad, evaluating their long-term future development potential;

⁸ See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

⁹ See table in the Advisories for production breakdown by product type as defined in NI 51-101.

¹⁰ 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.

- Complete, test and place on production five wells on our 4-21 pad that are evaluating two distinct zones within the Montney; and
- Enter 2022 with ten drilled and uncompleted wells, with plans to complete and bring ten wells onto production through the Septimus gas processing facility in the first quarter of 2022.

We are excited to continue the execution on our proven plan to expand the production of responsible energy into a strengthening operating environment to create value and corporate growth. We would like to thank our employees and our Board of Directors for their contribution and commitment to Crew, as well as our extended stakeholders for their ongoing support.

PASSING OF BOARD MEMBER

It is with profound sorrow that Crew reports the passing of Mr. Dennis Nerland on October 30th, 2021, a long-standing member of the Company's Board of Directors. Mr. Nerland was a respected and successful leader in the business and legal community, and a dedicated father, husband and avid sportsman. After 18-years serving as an integral part of our organization and working alongside the Crew team and our Board of Directors, Dennis' business acumen, calm demeanor, wisdom and his friendship will be deeply missed. Our Crew would like to extend our deepest condolences to Dennis' family.

"Dennis leaves a legacy of significant business and legal accomplishments that was recognized by so many," said Dale Shwed, President and Chief Executive Officer of the Company. "We were fortunate to have had Dennis as a member of our Board, and he will be greatly missed as both a colleague and a friend."

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.

"Free AFF" is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that free adjusted funds flow provides a useful measure to determine Crew's ability to improve sustainability and to manage the long-term value of the business.

"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 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.

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 and increase production and infrastructure utilization, reduce unit and net operating costs and enhance margins, streamline operations and improve efficiencies; our Q4 2021 and 2021 annual capital budget range and associated drilling and completion plans and associated guidance; preliminary capital plans and targets for 2022 and associated guidance; production estimates including forecast Q4 and 2021 annual average 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; anticipated reductions in GHG emissions and decommissioning obligations; 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; forecast debt metric improvements to the lower end of the forecasted range of 2.7x to 2.5x; debt metric trends towards 1.0x by the end of 2022; efficiencies and enhanced returns going forward; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans, anticipated on-stream dates and associated development timing and cost estimates); the potential for at least two additional zones to be developed at Groundbirch; the potential extension of our West Septimus ultra-condensate rich play; the potential of our Groundbirch area to be a core area of future development and the number of potential and prolific nature of wells to be drilled; infrastructure investment plans; the successful implementation of our ESG initiatives; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability and the expected positive attributes discussed herein attributable to our two-year 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, targets and preliminary guidance. 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 AIF).

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 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	2021³	2022 (Updated)^{3,4}
Net Capital Expenditures (\$MM)	150-170	70-95
Annual Average Production (boe/d)	26,000 – 28,000	31,000-33,000
Adjusted Funds Flow (\$MM)	120-140	190-210
EBITDA ² (\$MM)	145-165	214-234
Oil price (WTI)(\$US per bbl)	\$66.00	\$65.00
WCS price (\$C per bbl)	\$66.50	\$65.00
Natural gas price (AECO 5A) (\$C per gj)	\$3.40	\$3.15
Natural gas price (NYMEX) (\$US per mmbtu)	\$3.35	\$3.40
Natural gas price (Crew est. wellhead) (\$C per mcf)	\$4.60	\$3.90
Foreign exchange (\$US/\$CAD)	\$0.80	\$0.80
Royalties	5-7%	4-6%
Net operating costs ² (\$ per boe)	\$4.75-\$5.25	\$3.50-\$4.00
Transportation (\$ per boe)	\$3.50-\$4.00	\$2.50-\$3.00
G&A (\$ per boe)	\$0.90-\$1.10	\$0.80-\$1.00
Interest rate – bank debt	6.0%	6.0%
Interest rate – high yield	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 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.

⁽⁴⁾ Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

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 Oil ¹	Natural gas liquids ³	Condensate	Conventional Natural gas	Total (boe/d)
Lloydminster heavy oil production	98%	0%	0%	2%	1,050
Recent production level	1%	8%	9%	82%	>30,000
2021 Q3 Greater Septimus Average	0 bbl/d	2,168 bbl/d	2,322 bbl/d	94,482 mcf/d	20,237
2021 Q3 Average	1,157 bbl/d	2,242 bbl/d	2,350 bbl/d	107,459 mcf/d	23,659
2021 Q4 Average	1%	9%	9%	81%	28,000-29,000
2021 Annual Average	5%	10%	10%	75%	26,000-28,000
2022 Annual Average	0%	9%	11%	80%	31,000-33,000

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 Rates

A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production ("IP") rates disclosed herein, particularly those of short duration may not necessarily be indicative of long term performance or of ultimate recovery. Initial Production ("IP") rates indicate the average daily production over the indicated daily period.

BOE and MMCFE 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.

Crew Energy Inc. 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, and include a large contiguous land base. Crew's liquids-rich natural gas areas of Septimus and West 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 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".

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

Crew Energy Inc. ("Crew" or the "Company") is a liquids-rich natural gas producer and is 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 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 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 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 and nine months period ended September 30, 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 September 30, 2021 unaudited condensed interim consolidated financial statements are reported in Canadian dollars ("CDN"). This MD&A is dated November 4, 2021.

RESULTS OF OPERATIONS

Quarterly Overview

The third quarter of 2021 was highlighted by the advancement of the Company's two-year development plan with a busy summer of drilling, completion and infrastructure upgrading. Net capital expenditures totaled \$56.5 million, which included exploration and development expenditures of \$64.3 million, at the midpoint of our guidance of \$60 to \$70 million. During the quarter, Crew drilled nine Montney wells in the Greater Septimus area and executed completion operations on 10 wells in the West Septimus and Groundbirch areas. On September 24th, 2021, the Company disposed of its Lloydminster heavy crude oil operations, including all properties in both Saskatchewan and Alberta. Crew received proceeds from the disposition of \$10.3 million, that were offset by costs associated with the disposition that predominantly included a \$2.5 million loss incurred on the wind-up of all outstanding Western Canadian Select ("WCS") crude oil hedges, that were being held to protect future cash flow from the disposed Lloydminster operations.

Production during the third quarter was 23,659 boe per day, above guidance of 20,000 to 22,000 boe per day, and an 11% decrease over the second quarter of 2021. Production for the quarter was impacted by a planned ten day turnaround of the Crew operated West Septimus facility, which took approximately 18,500 boe per day of production offline for 7.5 days. Additional volumes were shut-in during the quarter to facilitate the completion of the Company's 1-8 West Septimus pad.

Crew's third quarter petroleum and natural gas sales per boe averaged \$34.75 per boe, a 23% increase over the second quarter of 2021. Overall, commodity prices continued to strengthen through the third quarter due to the continued global economic recovery from the impact of the Novel Coronavirus ("COVID-19") shutdowns. Commodity prices were also bolstered by limited global oil and natural gas supply growth, impacted by reduced capital investment over the last two years and OPEC+ quota discipline, while global demand for commodities accelerated due to the global recovery from COVID-19 and the struggle by renewable energy sources to meet demand.

The price of the Company's benchmark Canadian dollar denominated West Texas Intermediate ("WTI") increased 10%, Canadian dollar Henry Hub natural gas increased 46% and AECO 7A natural gas increased 24% as compared to the second quarter of 2021.

Crew's combined liquids pricing, including crude oil, condensate and natural gas liquids ("ngl"), increased 16% in the quarter, consistent with the increase in the underlying price of North American crude oil, represented by WTI. The Company's natural gas price increased by 33%, consistent with the increases in NYMEX and AECO pricing.

Crew's adjusted funds flow ("AFF")⁽¹⁾ for the third quarter totaled \$26.5 million, a 4% increase over the second quarter of 2021 despite an 11% decrease in production. Increased AFF was the result of the Company's strong third quarter commodity price realization. Crew's quarter-over-quarter per unit cash costs, including operating, transportation, G&A and interest, increased by 10% in the third quarter, impacted by the aforementioned 11% decrease in production. Royalties and royalties per unit also increased quarter over quarter as a result of the sliding scale nature of royalty rates that increase as realized commodity prices increase. Crew continues to focus on improving margins through reduced per unit costs resulting from lower charges for unutilized processing and transportation costs as the Company's production grows as part of our two-year development plan.

Crew's financial position remains strong with 48% drawn on the Company's \$150 million revolving bank facility. The Company has completed the required fall review of our bank facility with the Company's bank syndicate confirming the available facility at \$150 million through until its next scheduled review which is to be completed prior to June 2022. The Company's \$300 million, 6.5%, unsecured notes remain outstanding with a maturity in March of 2024.

Responding to 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 the 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.

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.

Production⁽¹⁾

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021
Crude oil (bbl/d)	1,157	1,324
Condensate (bbl/d)	2,350	3,019
Ngl (bbl/d)	2,242	2,687
Natural gas (mcf/d)	107,459	118,089
Total (boe/d)	23,659	26,712

Notes:

(1) Throughout this MD&A unless otherwise specified, 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 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 third quarter of 2021 decreased 11% over the second quarter of 2021 as a result of shut-in production stemming from a scheduled plant turnaround at the West Septimus facility and additional volumes shut-in to accommodate the completion of seven wells at West Septimus. This decrease was offset by additional production from the activation of the seven new wells in the West Septimus field drilled in the first quarter of 2021.

	Three months ended September 30, 2021					Three months ended September 30, 2020				
	Crude oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)	Crude oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	148	2,350	2,242	107,291	22,622	159	2,247	1,894	86,578	18,730
Lloydminster	1,009	-	-	168	1,037	1,464	-	-	80	1,477
Total	1,157	2,350	2,242	107,459	23,659	1,623	2,247	1,894	86,658	20,207

Production during the third quarter of 2021 increased 17% over the same period in 2020, as a result of the successful execution of drilling and completion activities in the Greater Septimus area. Additional increases were realized from the reactivation of 15 wells in the Greater Septimus area and Lloydminster that were shut-in during the same period in 2020 due to low commodity prices caused by COVID-19. Production in Lloydminster decreased as compared to the same quarter in the prior year due to limited capital investment. The Company disposed of its Lloydminster heavy crude oil operations on September 24, 2021.

	Nine months ended September 30, 2021					Nine months ended September 30, 2020				
	Crude oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)	Crude oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	158	2,691	2,442	114,854	24,433	188	2,739	2,109	93,715	20,655
Lloydminster	1,072	-	-	162	1,099	1,389	-	-	48	1,397
Total	1,230	2,691	2,442	115,016	25,532	1,577	2,739	2,109	93,763	22,052

For the first nine months of 2021, production increased 16% as compared to the same period in 2020 as a result of increased production in NE BC due to the success of the Company's 2020/2021 Montney drilling program in the West Septimus area. This increase was partially offset by lower production at Lloydminster due to limited capital investment. The Company disposed of its Lloydminster heavy crude oil operations on September 24, 2021.

Petroleum and Natural Gas Sales

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Petroleum and natural gas sales (\$ thousands)					
Light crude oil	1,065	1,116	642	3,074	1,938
Heavy crude oil	6,086	6,299	5,092	17,388	9,813
Natural gas liquids	4,900	2,896	1,931	10,727	4,456
Condensate	17,611	20,699	8,998	55,311	31,341
Natural gas	45,966	37,540	15,681	143,195	47,779
Total	75,628	68,550	32,344	229,695	95,327
Crew average prices⁽¹⁾					
Light crude oil (\$/bbl)	78.29	71.65	43.93	71.26	37.56
Heavy crude oil (\$/bbl)	65.59	60.03	37.82	59.41	25.79
Natural gas liquids (\$/bbl)	23.76	11.85	11.08	16.09	7.71
Condensate (\$/bbl)	81.47	75.36	43.53	75.30	41.77
Natural gas (\$/mcf)	4.65	3.49	1.97	4.56	1.86
Oil equivalent (\$/boe)	34.75	28.20	17.40	32.95	15.78
Benchmark pricing					
Light crude oil – WTI (Cdn \$/bbl)	88.91	81.09	54.50	81.08	51.52
Heavy crude oil – WCS (Cdn \$/bbl)	71.80	66.94	42.50	65.43	33.00
Condensate – Condensate @ Edmonton (Cdn \$/bbl)	87.24	81.64	50.08	80.73	47.47
Natural Gas:					
AECO 5A daily index (Cdn \$/mcf)	3.60	3.09	2.24	3.28	2.09
AECO 7A monthly index (Cdn \$/mcf)	3.54	2.85	2.15	3.11	2.07
Alliance 5A (Cdn \$/mcf)	4.23	3.24	2.18	4.00	2.07
Chicago Interstates at ATP (Cdn \$/mcf)	4.43	2.71	1.69	4.89	1.75
Henry Hub Close (Cdn \$/mcf)	5.06	3.47	2.63	3.98	2.54
Station 2 (Cdn \$/mcf)	3.39	3.00	2.22	3.16	2.00
Natural gas sales portfolio					
AECO	32%	36%	1%	36%	1%
Alliance	23%	22%	22%	22%	22%
Chicago Interstates at ATP	38%	35%	54%	36%	54%
Henry Hub	-	-	18%	-	17%
Station 2	7%	7%	5%	6%	6%

Notes:

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

Third quarter 2021 compared to second quarter 2021:

In the third quarter of 2021, the Company's petroleum and natural gas sales increased 10% as compared to the second quarter of 2021 as a result of a 23% increase in average realized wellhead pricing, partially offset by lower production as compared to the second quarter of 2021.

The Company's third quarter realized light crude oil price increased 9% over the second quarter of 2021, which was consistent with the Company's WTI benchmark increase of 10% compared to the previous quarter. Crew's third quarter heavy crude oil price increased 9% as compared to the second quarter of 2021, which was consistent with the 7% increase in the Company's WCS benchmark.

Crew's ngl realized price increased 101% in the third quarter as compared to the second quarter of 2021, due to increases in the value of component pricing for propane and butane which was consistent with seasonal pricing changes. The Company's third quarter realized condensate price increased 8% over the second quarter of 2021, which was consistent with the 7% increase in the Condensate at Edmonton benchmark price.

Crew's realized natural gas price increased by 33% in the third quarter of 2021, which was consistent with the 36% increase in the Company's natural gas sales portfolio weighted benchmark price.

Third quarter 2021 compared to third quarter 2020:

Third quarter 2021 petroleum and natural gas sales increased 134% as compared to the same period in 2020, as a result of a 100% increase in realized wellhead pricing combined with an increase in production. The significant increase in realized wellhead pricing is reflective of the improvement in commodity prices over the past year as global economies recover from the impact of COVID-19.

The Company's third quarter realized light crude oil price increased 78% over the third quarter of 2020, which was higher than the Company's WTI benchmark increase of 63%, due to the reduction in the differential between realized Canadian crude oil prices and the Company's WTI benchmark resulting from improved Canadian oil egress. Crew's third quarter heavy crude oil price increased 73% as compared to the same period last year, which is slightly 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.

Crew's ngl realized price increased 114% in the third 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 butane and pentane pricing across North America, consistent with the overall increase in commodity prices. The Company's third quarter realized condensate price increased 87% over the same period in 2020, which is higher than the 74% increase in the Condensate at Edmonton benchmark price, 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 136% in the third quarter of 2021 as compared to the same period in 2020, which is higher than the 102% 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.

Nine months ended 2021 compared to nine months ended 2020:

The first nine months of 2021 petroleum and natural gas sales increased 141% as compared to the same period in 2020, as a result of a 109% increase in realized wellhead pricing, supported by the global commodity price recovery, combined with an increase in production.

The Company's first nine months realized light crude oil price increased 90% over the first nine months of 2020, which was higher than the Company's WTI benchmark increase of 57%, largely due to a narrowing in the differential between realized Canadian crude oil prices and the Company's WTI benchmark resulting from improved Canadian oil egress. Crew's first nine month's heavy crude oil price increased 130% as compared to the same period last year, which is higher than the 98% 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 109% in the first nine months of 2021 as compared to the same period in 2020, due to increases in the value of component pricing, in particular large increases in realized butane and pentane pricing across North America. The Company's first nine months realized condensate price increased 80% over the same period in 2020, which is higher than the 70% increase in the Condensate at Edmonton benchmark price, mainly due to lower product differential relative to the underlying benchmark price and a decrease in the embedded pipeline costs.

Crew's realized natural gas price increased by 145% in the first nine months of 2021 as compared to the same period in 2020, which is higher than the 114% 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

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per boe)					
Royalties	5,961	4,634	1,418	15,818	4,500
Per boe	2.74	1.91	0.76	2.27	0.74
Percentage of petroleum and natural gas sales	7.9%	6.8%	4.4%	6.9%	4.7%

For the third quarter and first nine months of 2021, royalties, royalties per boe and royalties as a percentage of petroleum and natural gas sales increased over the prior quarter and the same periods in 2020 due to increases in production and commodity pricing leading to higher royalty rates. Royalty rates fluctuate on a sliding scale with increases and decreases in the underlying commodity price. The rate increases were partially offset by lower royalty rates on new wells drilled and completed in NE BC, 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):

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands)					
Realized (loss) gain on derivative financial instruments	(13,545)	(8,403)	3,540	(39,296)	14,052
Per boe	(6.22)	(3.46)	1.90	(5.64)	2.33
Unrealized loss on financial instruments	(21,817)	(31,276)	(12,013)	(67,486)	(7,146)

As at September 30, 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	October 1, 2021 - October 31, 2021	\$2.35/gj	Swap	\$ (140)
25,000 gj/day	October 1, 2021 - December 31, 2021	\$2.50/gj	Swap	(4,947)
22,500 gj/day	November 1, 2021 - December 31, 2021	\$2.72/gj	Swap	(3,046)
15,000 gj/day	November 1, 2021 - March 31, 2022	\$2.72/gj	Swap	(5,011)
20,000 gj/day	January 1, 2022 - March 31, 2022	\$3.05/gj	Swap	(3,056)
15,000 gj/day	January 1, 2022 - December 31, 2022	\$2.42/gj	Swap	(7,773)
20,000 gj/day	April 1, 2022 - June 30, 2022	\$2.17/gj	Swap	(2,372)
12,500 gj/day	April 1, 2022 - October 31, 2022	\$2.67/gj	Swap	(1,886)
20,000 gj/day	July 1, 2022 - September 30, 2022	\$2.20/gj	Swap	(2,211)
20,000 gj/day	October 1, 2022 - December 31, 2022	\$2.44/gj	Swap	(2,373)
<i>Natural Gas – AECO Monthly Index:</i>				
2,500 gj/day	October 1, 2021 - October 31, 2021	\$2.05/gj	Swap	(143)
11,500 gj/day	October 1, 2021 - December 31, 2021	\$2.41/gj	Swap	(2,307)
12,500 gj/day	October 1, 2021 - December 31, 2021	\$2.50 - \$2.85/gj	Collar ⁽¹⁾	(1,996)
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.84/gj	Swap	(1,599)
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.65 - \$2.95/gj	Collar ⁽²⁾	(1,552)
2,500 gj/day	January 1, 2022 - March 31, 2022	\$2.75 - \$3.20/gj	Collar ⁽³⁾	(425)
10,000 gj/day	January 1, 2022 - March 31, 2022	\$3.09/gj	Swap	(1,656)
7,500 gj/day	January 1, 2022 - December 31, 2022	\$2.36/gj	Swap	(4,028)
10,000 gj/day	April 1, 2022 - June 30, 2022	\$2.20/gj	Swap	(1,124)
10,000 gj/day	July 1, 2022 - September 30, 2022	\$2.22/gj	Swap	(997)
10,000 gj/day	October 1, 2022 - December 31, 2022	\$2.48/gj	Swap	(1,111)
<i>Natural Gas – CDN\$ Chicago Citygate Daily:</i>				
17,500 mmbtu/day	October 1, 2021 - October 31, 2021	\$3.47/mmbtu	Swap	(2,016)
<i>Natural Gas – CDN\$ Chicago Citygate Monthly:</i>				
7,500 mmbtu/day	October 1, 2021 - October 31, 2021	\$3.49/mmbtu	Swap	(861)
<i>CDN\$ Edmonton C5 Blended Index:</i>				
1,500 bbl/day	October 1, 2021 - December 31, 2021	\$61.24/bbl	Swap	(4,938)
750 bbl/day	January 1, 2022 - June 30, 2022	\$76.42/bbl	Swap	(2,235)
Total				\$ (59,803)

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.

Subsequent to September 30, 2021, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
<i>Natural Gas – AECO Daily Index:</i>			
5,000 gj/day	April 1, 2022 - June 30, 2022	\$3.66/gj	Swap
7,500 gj/day	April 1, 2022 - October 31, 2022	\$3.66/gj	Swap
5,000 gj/day	July 1, 2022 - September 30, 2022	\$3.56/gj	Swap
5,000 gj/day	October 1, 2022 - December 31, 2022	\$3.88/gj	Swap
<i>CDN\$ Edmonton C5 Blended Index:</i>			
250 bbl/day	January 1, 2022 - June 30, 2022	\$96.50/bbl	Swap

Net Operating Costs⁽¹⁾

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per boe)					
Operating costs	11,866	12,136	11,259	35,541	36,378
Processing revenue	(750)	(482)	(597)	(1,786)	(1,840)
Net operating costs	11,116	11,654	10,662	33,755	34,538
Per boe	5.11	4.79	5.74	4.84	5.72

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.

In the third quarter of 2021, net operating costs per boe increased 7% over the previous quarter as a result of lower production stemming from a scheduled plant turnaround at the Company's operated West Septimus facility and well shut-ins due to offset fracturing.

During the third quarter and first nine months of 2021, net operating costs per boe decreased as compared to the same periods in 2020, as a result of new production added at West Septimus, which yields lower incremental per unit operating costs, combined with efforts by the Company to optimize field operations, resulting in reduced per unit costs across all operating areas.

Transportation Costs

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per boe)					
Transportation costs	10,035	9,971	7,230	29,858	21,069
Per boe	4.61	4.10	3.89	4.28	3.49

Transportation costs per boe increased in the third quarter as compared to the previous quarter as a result of lower quarter over production, while total costs remained fixed due to natural gas take or pay contracts. Transportation costs and costs per boe increased in the third quarter and first nine months of 2021 as compared to the same periods in 2020, as a result of natural gas pipeline transportation rate increases that commenced in November 2020, the Company's inability to mitigate unused firm transportation service in 2021 as compared to 2020 and added ngl trucking costs related to new sales point contracts in 2021. 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⁾

				Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020
(\$/boe)	Greater Septimus	Lloydminster Heavy	Other NE BC			
Petroleum and natural gas sales	34.02	64.36	28.06	34.75	28.20	17.40
Royalties	(2.26)	(9.58)	(3.80)	(2.74)	(1.91)	(0.76)
Realized commodity hedging (loss) gain	(6.01)	(12.64)	(5.28)	(6.22)	(3.46)	1.90
Marketing loss	-	-	-	-	-	(0.28)
Net operating costs	(4.18)	(21.59)	(5.76)	(5.11)	(4.79)	(5.74)
Transportation costs	(4.65)	(0.25)	(6.19)	(4.61)	(4.10)	(3.89)
Operating netbacks	16.92	20.30	7.03	16.07	13.94	8.63
Production (boe/d)	20,237	1,037	2,385	23,659	26,712	20,207

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 third quarter of 2021 increased by 15% when compared to the second quarter of 2021, primarily as a result of higher petroleum and natural gas sales, partially offset by higher royalties, net operating and transportation costs, and higher realized hedging losses.

Operating netbacks for the third quarter of 2021 increased 86% over the same period in 2020 as a result of higher petroleum and natural gas sales and lower net operating costs, partially offset by higher transportation costs and royalties, combined with realized commodity hedging losses where the Company had realized hedging gains in the same period in 2020.

				Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$/boe)	Greater Septimus	Lloydminster Heavy	Other NE BC		
Petroleum and natural gas sales	32.39	58.41	26.20	32.95	15.78
Royalties	(1.91)	(9.17)	(2.46)	(2.27)	(0.74)
Realized commodity hedging (loss) gain	(5.39)	(12.45)	(4.75)	(5.64)	2.33
Marketing loss	-	-	-	-	(0.13)
Net operating costs	(4.00)	(20.07)	(5.69)	(4.84)	(5.72)
Transportation costs	(4.34)	(0.32)	(5.62)	(4.28)	(3.49)
Operating netbacks	16.75	16.40	7.68	15.92	8.03
Production (boe/d)	22,132	1,098	2,302	25,532	22,052

Operating netbacks for the first nine months of 2021 increased by 98% as compared to the same period in 2020, primarily as a result of higher petroleum and natural gas sales and lower net operating costs, partially offset by higher royalties, transportation costs, and realized hedging losses during the period where the Company had realized hedging gains in the same period in 2020.

General and Administrative Costs

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per boe)					
Gross costs	4,015	3,640	2,552	11,469	8,662
Operators' recoveries	(265)	(57)	(284)	(604)	(316)
Capitalized costs	(1,473)	(1,327)	(805)	(4,133)	(2,855)
General and administrative expenses	2,277	2,256	1,463	6,732	5,491
Per boe	1.05	0.93	0.79	0.97	0.91

General and administrative ("G&A") costs increased in the third quarter and first nine months of 2021 as compared to the same periods in 2020, due to the reversal of compensation roll-backs that were in place through most of 2020 and a reduction in receipts of the government provided COVID-19 related Canada Emergency Wage Subsidy in 2020 as compared to 2021. G&A per boe increased in the third quarter and first nine months of 2021 as compared to the same periods in 2020 as a result of the increase in G&A costs, partially offset by the increase in production.

Share-Based Compensation

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands)					
Gross costs	1,162	1,493	1,006	3,767	3,925
Capitalized costs	(574)	(721)	(487)	(1,833)	(1,928)
Total share-based compensation	588	772	519	1,934	1,997

For the third quarter of 2021, the Company's total share-based compensation expense increased as compared to the same period in 2020, as a result of a higher annual grant value in 2021 as compared to 2020. In the first nine months of 2021, the Company's total share-based compensation expense decreased as compared to the same period in 2020, as a result of a reduction in staff, partially offset by the aforementioned increase in the 2021 annual grant value.

Depletion and Depreciation

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per boe)					
Depletion and depreciation	15,993	17,605	16,785	50,984	54,982
Per boe	7.35	7.24	9.03	7.31	9.10

In the third quarter of 2021 and first nine months of 2021, depletion and depreciation costs per boe decreased as compared to the same periods in 2020, due to a decrease in future development costs associated with reserves bookings at the end of 2020 and a decrease to the per boe depletion rate for Tower production due to higher Tower reserve bookings at December 31, 2020. In addition, there was a reduction in the capital cost base as a result of impairment charges recorded in the first quarter of 2020 and lower land expiries in 2021, particularly in the second and third quarters of 2021 as compared to the same periods in 2020.

Impairment Reversal

At September 30, 2021, the Company determined that indicators of impairment reversal existed as a result of increases in forward crude oil and natural gas prices, along with an increase in the Company's market capitalization. As a result, the Company tested its northeast British Columbia CGU for impairment reversal. It was determined that the recoverable amount of the northeast British Columbia CGU exceeded its carrying value, resulting in all previous impairment, net of depletion, of \$228.5 million being reversed. The Company disposed of its Lloydminster CGU in the third quarter of 2021.

Finance Expenses

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per boe)					
Interest on bank loan and other	1,023	994	853	2,878	1,985
Interest on senior notes	4,915	4,862	4,915	14,585	14,585
Interest on lease obligations	27	25	25	79	77
Accretion of deferred financing charges	245	246	245	737	737
Accretion of the decommissioning obligation	410	440	225	1,112	991
Total finance expense	6,620	6,567	6,263	19,391	18,375
Average long-term debt level	361,866	360,656	333,354	353,899	336,911
Average drawings on bank loan	61,866	60,656	33,354	53,899	36,911
Average senior unsecured notes outstanding	300,000	300,000	300,000	300,000	300,000
Effective interest rate on senior unsecured notes	6.5%	6.5%	6.5%	6.5%	6.5%
Effective interest rate on long-term debt	6.1%	6.0%	6.2%	6.1%	6.2%
Financing costs on long-term debt per boe	2.84	2.51	3.25	2.61	2.88

The Company's total finance expense and average corporate debt levels increased in the third quarter and first nine months of 2021 as compared to the previous quarter and the same periods in 2020, due to increased capital expenditures in 2021 and an increase in borrowing margins. In addition, the Company's corporate effective interest rate decreased as compared to the prior year due to a decrease in standby fees as the Company's drawings on its bank facility increased.

Loss on Divestures of Property, Plant and Equipment

During the third quarter of 2021, the Company disposed of its Lloydminster heavy crude oil operations for cash proceeds of \$10.3 million and incurred \$2.5 million of related transaction costs. The disposition consisted of petroleum and natural gas properties and undeveloped land with a net book value of \$45.7 million and associated decommissioning obligations of \$34.5 million, resulting in a loss of \$3.4 million on closing of the disposition.

During the third quarter of 2021, the Company entered into a swap of petroleum and natural gas properties and undeveloped land with a total net book value of \$3.6 million for undeveloped land with a fair value of \$1.4 million, resulting in a loss of \$2.2 million.

Deferred Income Taxes

In the third quarter and first nine months of 2021, the provision for deferred income taxes was an expense of \$33.1 million in both periods as compared to a nil provision for deferred income taxes in the third quarter of 2020 and a deferred tax recovery of \$53.6 million in the first nine months of 2020. The deferred tax expense in the third quarter and first nine months of 2021 was due to net income in these periods, resulting from the reversal of impairment charges previously booked against the Company's oil and gas property, plant and equipment.

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

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands, except per share amounts)					
Cash provided by operating activities	18,072	24,890	5,121	73,409	23,215
Adjusted funds flow ⁽¹⁾	26,511	25,530	8,549	86,036	25,582
Per share					
-basic	0.17	0.17	0.06	0.56	0.17
-diluted	0.17	0.16	0.06	0.55	0.17
Net income (loss)	176,183	(23,138)	(21,136)	154,398	(237,848)
Per share					
-basic	1.14	(0.15)	(0.14)	1.01	(1.56)
-diluted	1.12	(0.15)	(0.14)	0.99	(1.56)

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 third quarter of 2021, cash provided by operating activities decreased as compared to the second quarter of 2021 as a result of a change in non-cash working capital, whereas adjusted funds flow increased as compared to the second quarter of 2021, mainly due to higher petroleum and natural gas sales. The Company recognized net income in the third quarter of 2021 as compared to a net loss in the second quarter of 2021, as a result of a \$171.9 million after-tax impairment reversal.

Cash provided by operating activities and adjusted funds flow increased in both the third quarter and first nine months of 2021 as compared to the same periods in 2020, predominantly due to higher petroleum and natural gas sales. Net income in the first nine months of 2021 was impacted by the aforementioned \$171.9 million impairment reversal, whereas net income in the first nine months of 2020 was impacted by a \$201 million after-tax impairment charge.

Capital Expenditures, Property Acquisitions and Dispositions

	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
(\$ thousands)					
Land	787	780	799	2,171	2,241
Seismic	103	126	260	396	797
Drilling and completions	45,907	10,422	13,404	98,617	26,852
Facilities, equipment and pipelines	15,901	8,479	6,608	29,987	12,449
Other	1,597	1,391	805	4,412	2,914
Total exploration and development	64,295	21,198	21,876	135,583	45,253
Net property dispositions	(7,816)	-	(35)	(7,816)	(34,931)
Total	56,479	21,198	21,841	127,767	10,322

In the third quarter of 2021, the Company invested a total of \$64.3 million on exploration and development expenditures. The majority of this amount was spent on the continued development of the Montney assets. During the quarter, \$45.9 million was invested on drilling and completion activities in the Greater Septimus area, \$15.9 million on facilities, equipment and pipelines in the Greater Septimus area and \$2.5 million on land, seismic, and other miscellaneous amounts. Additionally, the Company disposed of its Lloydminster heavy crude oil operations for cash proceeds of \$10.3 million and incurred \$2.5 million of related transaction costs, resulting in net proceeds of \$7.8 million.

In the third quarter of 2021, the Company drilled a total of nine natural gas wells in the Greater Septimus area and completed a total of 10 natural gas wells in the West Septimus and Groundbirch areas.

GUIDANCE

As global markets recover from the impact of the COVID-19 pandemic and demand for energy increases, Crew anticipates that Canadian natural gas will play an increasingly important role in the global energy mix as the world looks to diversify energy sources and reduce emissions. Accordingly, Crew remains excited to execute on its business plan to produce responsible energy while creating meaningful value and corporate growth.

As a result of the sale of the Lloydminster heavy crude oil operations, the forecasted production range for 2022 has been revised down by 1,000 boe per day. Additionally, net operating costs and transportation costs per unit were revised to account for the disposition. Due to the small size of the Lloydminster operations relative to Crew's other operations the remaining projections remain consistent with prior guidance.

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

	2021 guidance and assumptions ⁽¹⁾	Previous 2022 guidance and assumptions ⁽¹⁾	Revised 2022 guidance and assumptions ⁽¹⁾
Net capital expenditures (\$Millions)	150–170	70–95	70–95
Annual average production (boe/d)	26,000–28,000	32,000–34,000	31,000–33,000
Adjusted funds flow ⁽²⁾ (\$Millions)	120–140	190–210	190–210
EBITDA ⁽²⁾ (\$Millions)	145–165	214–234	214–234
Oil price (WTI)(\$US per bbl)	\$66.00	\$65.00	\$65.00
WCS price (\$C per bbl)	\$66.50	\$65.00	\$65.00
Natural gas price (AECO 5A) (\$C per gj)	\$3.40	\$3.15	\$3.15
Natural gas price (NYMEX) (\$US per mmbtu)	\$3.35	\$3.40	\$3.40
Natural gas price (Crew est. wellhead) (\$C per mcf)	\$4.60	\$3.90	\$3.90
Foreign exchange (\$US/\$CAD)	\$0.80	\$0.80	\$0.80
Royalties	5–7%	4–6%	4–6%
Net operating costs ⁽²⁾ (\$ per boe)	\$4.75–\$5.25	\$4.25–\$4.75	\$3.50–\$4.00
Transportation (\$ per boe)	\$3.50–\$4.00	\$2.25–\$2.75	\$2.50–\$3.00
G&A (\$ per boe)	\$0.90–\$1.10	\$0.80–\$1.00	\$0.80–\$1.00
Interest rate – bank debt	6.0%	6.0%	6.0%
Interest rate – high yield	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.

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 48% 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)	September 30, 2021	December 31, 2020
Current assets	31,267	26,853
Current liabilities	(120,603)	(47,212)
Derivative financial instruments	53,058	(4,002)
Decommissioning obligations	1,185	-
Working capital deficiency ⁽¹⁾	(35,093)	(24,361)

(\$ thousands)	September 30, 2021	December 31, 2020
Bank loan	(71,460)	(35,994)
Senior unsecured notes	(297,588)	(296,851)
Working capital deficiency ⁽¹⁾	(35,093)	(24,361)
Net debt ⁽¹⁾	(404,141)	(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 September 30, 2021, the Company's working capital deficit totaled \$35.1 million, when combined with the \$71.5 million of drawings on its bank loan, represents 71% of its \$150 million Facility described below.

Bank Loan

As at September 30, 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 3, 2022. 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 September 30, 2021, the Company's Decommissioning Obligations exceeded \$20 million only in the province of British Columbia, which carried an LMR of 8.0:1. Subsequent to September 30, 2021, the Facility was reviewed and the Borrowing Base was confirmed at the existing level. 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 3, 2022. 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 November 4 2021, there were 156,581,442 common shares of the Company issued and outstanding, which includes 2,880,084 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 3,885,286 restricted awards and 4,772,206 performance awards outstanding.

The Company provides funds to an independent trustee to acquire common shares in the open market, which are held in trust for the potential future settlement of Restricted and Performance award values. The common shares held in trust are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the nine months ended September 30, 2021, the trustee purchased 3,223,000 common shares for a total cost of \$3.8 million. At September 30, 2021, 2,757,000 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 September 30, 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)	71,460	-	-	71,460	-	-	-
Senior unsecured notes (note 2)	300,000	-	-	-	300,000	-	-
Lease obligations	3,222	-	244	731	731	731	785
Firm transportation agreements	170,526	8,692	36,113	27,809	27,359	26,711	43,842
Firm processing agreement	186,177	4,718	18,718	18,718	18,752	18,718	106,553
Total	731,385	13,410	55,075	118,718	346,842	46,160	151,180

Notes:

- (1) Based on the existing terms of the Company's Facility the first possible repayment date may come in 2023. 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 NE BC.

Firm processing agreements include commitments to process natural gas through the Greater Septimus Processing Complex in NE BC.

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, Indigenous land claims 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.

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) Indigenous Claims

Indigenous peoples have claimed Indigenous rights and title in portions of western Canada. Any claims made against land where the Company leases the mineral or surface rights may have an adverse effect on the Company's business, financial condition and results of operations. Currently, the Company is aware of a ruling in the Supreme Court of British Columbia on June 29, 2021 with respect to a claim brought by the Blueberry River First Nation against the province of British Columbia asserting that the cumulative effects of industrial development have had significant adverse impacts on the meaningful exercise of treaty rights, breaching the Treaty and infringing their rights. The ruling references the cumulative effects of all industrial development including forestry, oil and gas, agriculture, hydro-electricity development, mining operations and road development within the Blueberry Claim Area, which comprises approximately 38,000 square kilometres (9,400,000 acres) of northeast British Columbia, including the cities of Fort St. John and Dawson Creek. A portion of the Company's Montney lands in northeast British Columbia are within the 'Blueberry Claim Area' referenced

in the Judgement. At this time, it is not reasonably expected that the ruling will materially affect the Company's planned activity in 2021 or 2022, however, its longer term effects on the Company's business and operations are unknown. In addition, the process of addressing such claims, regardless of the outcome, could be extensive and time-consuming and could result in delays in drilling, completions, construction of infrastructure systems and facilities which may have a material effect on the Company's business and financial results.

d) 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.

e) Financial Risks

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>	Sep. 30 2021	June 30 2021	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	June 30 2020	Mar. 31 2020	Dec. 31 2019
Total daily production (boe/d)	23,659	26,712	26,258	21,666	20,207	22,074	23,894	22,446
Exploration and development expenditures	64,295	21,198	50,090	41,007	21,876	5,348	18,029	26,390
Property (dispositions)/acquisitions	(7,816)	-	-	(23,219)	(35)	44	(34,940)	82
Average wellhead price (\$/boe)	34.75	28.20	36.19	21.37	17.40	12.39	17.52	21.76
Petroleum and natural gas sales	75,628	68,550	85,517	42,604	32,344	24,889	38,094	44,941
Cash provided by operating activities	18,072	24,890	30,447	14,774	5,121	8,175	9,919	21,106
Adjusted funds flow ⁽¹⁾	26,511	25,530	33,995	15,568	8,549	4,633	12,400	16,086
Per share – basic	0.17	0.17	0.23	0.10	0.06	0.03	0.08	0.11
– diluted	0.17	0.16	0.22	0.10	0.06	0.03	0.08	0.11
Net income (loss)	176,183	(23,138)	1,353	34,668	(21,136)	(24,803)	(191,909)	(6,235)
Per share – basic	1.14	(0.15)	0.01	0.23	(0.14)	(0.16)	(1.27)	(0.04)
– diluted	1.12	(0.15)	0.01	0.22	(0.14)	(0.16)	(1.27)	(0.04)

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, 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 the first nine months of 2021 with global crude oil, ngl and natural gas prices significantly outperforming those seen throughout 2020, resulting in a September 30, 2021 pre-tax impairment reversal of \$228.5 million.

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 July 1, 2021 and ended on September 30, 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, 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, accretion of deferred financing costs and transaction costs on property dispositions. 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, actual settlements of decommissioning obligations and transaction costs on property dispositions, 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, adjusted funds flow and EBITDA:

(\$ thousands)	Three months ended Sept. 30, 2021	Three months ended June 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Cash provided by operating activities	18,072	24,890	5,121	73,409	23,215
Change in operating non-cash working capital	5,707	1,097	2,902	9,512	2,151
Accretion of deferred financing costs	(245)	(246)	(245)	(737)	(737)
Transaction costs on property dispositions	2,505	-	-	2,505	-
Funds from operations	26,039	25,741	7,778	84,689	24,629
Decommissioning obligations (recovered) settled excluding grants	472	(211)	771	1,347	953
Adjusted funds flow	26,511	25,530	8,549	86,036	25,582
Interest	6,183	6,102	6,038	18,200	17,384
EBITDA	32,694	31,632	14,587	104,236	42,966

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 considers 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, management's belief that natural gas will continue to play a vital role in the global energy transition, 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 divestitures and the anticipated impact of potential future transactions and the potential impact of the Blueberry Claim described under “Indigenous Claims” herein on the Company’s operations 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 indigenous and 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 including with respect to indigenous claims; 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 and underlying assumptions; 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; the Company’s ability to obtain the necessary regulatory permits in a timely matter; 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 November 4, 2021

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(unaudited) (thousands)</i>	September 30, 2021	December 31, 2020
Assets		
Current Assets:		
Accounts receivable	\$ 31,267	\$ 22,135
Derivative financial instruments (note 4)	-	4,718
	31,267	26,853
Derivative financial instruments (note 4)	-	3,681
Property, plant and equipment (note 5)	1,421,671	1,159,032
	\$ 1,452,938	\$ 1,189,566
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 66,360	\$ 46,496
Derivative financial instruments (note 4)	53,058	716
Decommissioning obligations (note 10)	1,185	-
	120,603	47,212
Derivative financial instruments (note 4)	6,745	-
Bank loan (note 7)	71,460	35,994
Senior unsecured notes (note 8)	297,588	296,851
Lease obligations (note 9)	2,966	2,814
Decommissioning obligations (note 10)	52,566	93,178
Deferred tax liability	29,497	-
Shareholders' Equity		
Share capital (note 11)	1,485,841	1,482,925
Contributed surplus	70,734	70,052
Deficit	(685,062)	(839,460)
	871,513	713,517
Subsequent event (note 4)		
Commitments (note 14)		
	\$ 1,452,938	\$ 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 Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Revenue				
Petroleum and natural gas sales (note 12)	\$ 75,628	\$ 32,344	\$ 229,695	\$ 95,327
Royalties	(5,961)	(1,418)	(15,818)	(4,500)
Realized (loss) gain on derivative financial instruments	(13,545)	3,540	(39,296)	14,052
Unrealized loss on derivative financial instruments	(21,817)	(12,013)	(67,486)	(7,146)
Marketing and processing revenue (note 12)	750	73	1,786	1,025
	35,055	22,526	108,881	98,758
Expenses				
Operating	11,866	11,259	35,541	36,378
Transportation	10,035	7,230	29,858	21,069
General and administrative	2,277	1,463	6,732	5,491
Share-based compensation	588	519	1,934	1,997
Depletion and depreciation (note 5)	15,993	16,785	50,984	54,982
	40,759	37,256	125,049	119,917
Loss from operations	(5,704)	(14,730)	(16,168)	(21,159)
Financing (note 13)	6,620	6,263	19,391	18,375
Impairment (reversal) on property, plant and equipment (note 6)	(228,549)	-	(228,549)	267,334
Loss (gain) on divestiture of property, plant and equipment	6,935	364	6,615	(15,236)
Other income (note 10)	(20)	(221)	(1,150)	(221)
Income (loss) before income taxes	209,310	(21,136)	187,525	(291,411)
Deferred tax expense (recovery)	33,127	-	33,127	(53,563)
Net income (loss) and comprehensive income (loss)	\$ 176,183	\$ (21,136)	\$ 154,398	\$ (237,848)
Net income (loss) per share (note 11)				
Basic	\$ 1.14	\$ (0.14)	\$ 1.01	\$ (1.56)
Diluted	\$ 1.12	\$ (0.14)	\$ 0.99	\$ (1.56)

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	-	-	-	154,398	154,398
Share-based compensation expensed	-	-	1,934	-	1,934
Share-based compensation capitalized	-	-	1,833	-	1,833
Issued from treasury on vesting of share awards	127	213	(213)	-	-
Released from trust on vesting of share awards	5,734	6,502	(6,502)	-	-
Purchase of shares held in trust (note 11)	(3,223)	(3,799)	-	-	(3,799)
Tax deduction on excess value of share awards	-	-	3,630	-	3,630
Balance, September 30, 2021	153,820	\$ 1,485,841	\$ 70,734	\$ (685,062)	\$ 871,513

<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	-	-	-	(237,848)	(237,848)
Share-based compensation expensed	-	-	1,997	-	1,997
Share-based compensation capitalized	-	-	1,928	-	1,928
Issued from treasury on vesting of share awards	157	3,620	(4,039)	-	(419)
Released from trust on vesting of share awards	2,411	1,901	(1,901)	-	-
Purchase of shares held in trust (note 11)	(2,360)	(748)	-	-	(748)
Balance, September 30, 2020	151,742	\$ 1,483,067	\$ 69,629	\$ (874,128)	\$ 678,568

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited) (thousands)</i>	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Cash provided by (used in):				
Operating activities:				
Net income (loss)	\$ 176,183	\$ (21,136)	\$ 154,398	\$ (237,848)
Adjustments:				
Unrealized loss on derivative financial instruments	21,817	12,013	67,486	7,146
Share-based compensation	588	519	1,934	1,997
Depletion and depreciation (note 5)	15,993	16,785	50,984	54,982
Financing expenses (note 13)	6,620	6,263	19,391	18,375
Interest expense (note 13)	(5,938)	(5,793)	(17,463)	(16,647)
Impairment (reversal) on property, plant and equipment (note 6)	(228,549)	-	(228,549)	267,334
Loss (gain) on divestiture of property, plant and equipment	6,935	364	6,615	(15,236)
Transaction costs on property dispositions (note 5)	(2,505)	-	(2,505)	-
Deferred tax expense (recovery)	33,127	-	33,127	(53,563)
Decommissioning obligations settled (note 10)	(492)	(992)	(2,497)	(1,174)
Change in non-cash working capital	(5,707)	(2,902)	(9,512)	(2,151)
	18,072	5,121	73,409	23,215
Financing activities:				
Increase (decrease) in bank loan	6,945	6,671	35,466	(9,999)
Payments on lease obligations (note 9)	-	25	-	(213)
Shares purchased and held in trust (note 11)	(500)	(498)	(3,799)	(748)
Settlement of restricted and performance awards	-	-	-	(419)
	6,445	6,198	31,667	(11,379)
Investing activities:				
Property, plant and equipment expenditures (note 5)	(64,295)	(21,876)	(135,583)	(45,253)
Property acquisitions	-	(2)	-	(57)
Property dispositions	10,321	37	10,321	34,988
Change in non-cash working capital	29,457	10,522	20,186	(1,514)
	(24,517)	(11,319)	(105,076)	(11,836)
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 and nine months ended September 30, 2021 and 2020

(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 and conducts its operations in the Western Canada Sedimentary Basin, primarily in the province of British Columbia. 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 November 4, 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 adversely impacted global commercial activity and 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 and early 2021. While the price for crude oil, natural gas and ngl has recovered to pre-pandemic levels in recent months, 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 September 30, 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, 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 September 30, 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 September 30, 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	October 1, 2021 - October 31, 2021	\$2.35/gj	Swap	\$ (140)
25,000 gj/day	October 1, 2021 - December 31, 2021	\$2.50/gj	Swap	(4,947)
22,500 gj/day	November 1, 2021 - December 31, 2021	\$2.72/gj	Swap	(3,046)
15,000 gj/day	November 1, 2021 - March 31, 2022	\$2.72/gj	Swap	(5,011)
20,000 gj/day	January 1, 2022 - March 31, 2022	\$3.05/gj	Swap	(3,056)
15,000 gj/day	January 1, 2022 - December 31, 2022	\$2.42/gj	Swap	(7,773)
20,000 gj/day	April 1, 2022 - June 30, 2022	\$2.17/gj	Swap	(2,372)
12,500 gj/day	April 1, 2022 - October 31, 2022	\$2.67/gj	Swap	(1,886)
20,000 gj/day	July 1, 2022 - September 30, 2022	\$2.20/gj	Swap	(2,211)
20,000 gj/day	October 1, 2022 - December 31, 2022	\$2.44/gj	Swap	(2,373)
<i>Natural Gas – AECO Monthly Index:</i>				
2,500 gj/day	October 1, 2021 - October 31, 2021	\$2.05/gj	Swap	(143)
11,500 gj/day	October 1, 2021 - December 31, 2021	\$2.41/gj	Swap	(2,307)
12,500 gj/day	October 1, 2021 - December 31, 2021	\$2.50 - \$2.85/gj	Collar ⁽¹⁾	(1,996)
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.84/gj	Swap	(1,599)
5,000 gj/day	November 1, 2021 - March 31, 2022	\$2.65 - \$2.95/gj	Collar ⁽²⁾	(1,552)
2,500 gj/day	January 1, 2022 - March 31, 2022	\$2.75 - \$3.20/gj	Collar ⁽³⁾	(425)
10,000 gj/day	January 1, 2022 - March 31, 2022	\$3.09/gj	Swap	(1,656)
7,500 gj/day	January 1, 2022 - December 31, 2022	\$2.36/gj	Swap	(4,028)
10,000 gj/day	April 1, 2022 - June 30, 2022	\$2.20/gj	Swap	(1,124)
10,000 gj/day	July 1, 2022 - September 30, 2022	\$2.22/gj	Swap	(997)
10,000 gj/day	October 1, 2022 - December 31, 2022	\$2.48/gj	Swap	(1,111)
<i>Natural Gas – CDN\$ Chicago Citygate Daily:</i>				
17,500 mmbtu/day	October 1, 2021 - October 31, 2021	\$3.47/mmbtu	Swap	(2,016)
<i>Natural Gas – CDN\$ Chicago Citygate Monthly:</i>				
7,500 mmbtu/day	October 1, 2021 - October 31, 2021	\$3.49/mmbtu	Swap	(861)
<i>CDN\$ Edmonton C5 Blended Index:</i>				
1,500 bbl/day	October 1, 2021 - December 31, 2021	\$61.24/bbl	Swap	(4,938)
750 bbl/day	January 1, 2022 - June 30, 2022	\$76.42/bbl	Swap	(2,235)
Total				\$ (59,803)

(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.

Subsequent to September 30, 2021, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
<i>Natural Gas – AECO Daily Index:</i>			
5,000 gj/day	April 1, 2022 - June 30, 2022	\$3.66/gj	Swap
7,500 gj/day	April 1, 2022 - October 31, 2022	\$3.66/gj	Swap
5,000 gj/day	July 1, 2022 - September 30, 2022	\$3.56/gj	Swap
5,000 gj/day	October 1, 2022 – December 31, 2022	\$3.88/gj	Swap
<i>CDN\$ Edmonton C5 Blended Index:</i>			
250 bbl/day	January 1, 2022 - June 30, 2022	\$96.50/bbl	Swap

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, 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 the majority of 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 7, which is subject to annual renewal by the lenders and has a contractual maturity in 2023, if not extended. The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures, and 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 8.

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 48% 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:

	September 30, 2021	December 31, 2020
Current assets	\$ 31,267	\$ 26,853
Current liabilities	(120,603)	(47,212)
Derivative financial instruments	53,058	(4,002)
Decommissioning obligations	1,185	-
Working capital deficiency	\$ (35,093)	\$ (24,361)
Bank loan	(71,460)	(35,994)
Senior unsecured notes	(297,588)	(296,851)
Net debt	\$ (404,141)	\$ (357,206)

Neither the Company nor its subsidiary or partnerships 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 7).

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, accretion of deferred financing costs and transaction costs on property dispositions. 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, actual settlements of decommissioning obligations and transaction costs on property dispositions, the timing of which is discretionary.

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Cash provided by operating activities	\$ 18,072	\$ 5,121	\$ 73,409	\$ 23,215
Change in operating non-cash working capital	5,707	2,902	9,512	2,151
Accretion of deferred financing costs (note 13)	(245)	(245)	(737)	(737)
Transaction costs on property dispositions (note 5)	2,505	-	2,505	-
Funds from operations	\$ 26,039	\$ 7,778	\$ 84,689	\$ 24,629
Decommissioning obligations settled excluding grants (note 10)	472	771	1,347	953
Adjusted funds flow	\$ 26,511	\$ 8,549	\$ 86,036	\$ 25,582

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	135,583
Acquisitions	1,400
Divestitures	(605,192)
Increase in right-of-use assets	131
Change in decommissioning obligations	(1,829)
Capitalized share-based compensation	1,833
Balance, September 30, 2021	\$ 2,251,920
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	50,984
Divestitures	(553,148)
Impairment reversal (note 6)	(228,549)
Balance, September 30, 2021	\$ 830,249
Net book value	Total
Balance, September 30, 2021	\$ 1,421,671
Balance, December 31, 2020	\$ 1,159,032

The calculation of depletion and depreciation expense for the nine months ended September 30, 2021 included estimated future development costs of \$1,542.6 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 \$70.7 million (December 31, 2020 - \$70.5 million) and undeveloped land of \$145.1 million (December 31, 2020 - \$148.0 million) related to future development acreage with no associated reserves.

Included in depletion and depreciation expense for the nine months ended September 30, 2021, is \$0.3 million (December 31, 2020 - \$0.4 million) related to the right-of-use assets for the Company's leases. As at September 30, 2021, the net book value of these right-of-use assets is \$2.4 million (December 31, 2020 - \$2.6 million).

During the third quarter of 2021, the Company disposed of its Lloydminster heavy crude oil operations for cash proceeds of \$10.3 million and incurred \$2.5 million of related transaction costs. The disposition consisted of petroleum and natural gas properties and undeveloped land with a net book value of \$45.7 million and associated decommissioning obligations of \$34.5 million, resulting in a loss of \$3.4 million on closing of the disposition.

During the third quarter of 2021, the Company entered into a swap of petroleum and natural gas properties and undeveloped land with a total net book value of \$3.6 million for undeveloped land with a fair value of \$1.4 million, resulting in a loss of \$2.2 million.

6. Impairment:

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Impairment (reversal):				
Property, plant and equipment	\$ (228,549)	\$ -	\$ (228,549)	\$ 267,334
	\$ (228,549)	\$ -	\$ (228,549)	\$ 267,334

Assessment:

At September 30, 2021, the Company determined that indicators of impairment reversal existed as a result of increases in forward crude oil and natural gas prices, along with an increase in the Company's market capitalization. As a result, the Company tested its northeast British Columbia CGU for impairment reversal. It was determined that the recoverable amount of the northeast British Columbia CGU exceeded its carrying value, resulting in all previous impairment, net of depletion, of \$228.5 million being reversed. The Company disposed of its Lloydminster CGU in the third quarter of 2021.

For the purpose of impairment testing, the recoverable amount of the Company's CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is generally the future cash flows expected to be derived from production of proven and probable reserves estimated by the Company's third party reserve evaluators and the internally estimated future cash flows of undeveloped lands. At September 30, 2021, the Company used value in use, discounted at pre-tax rates between 10% and 20% (December 31, 2020 – 10% and 30%) dependent on the risk profile of the reserve category and CGU.

Impairment reversals are recognized to the extent that impairment had been previously recorded, but are limited to the net book value that would exist had the original impairment never been recorded, including estimates for depletion.

The following estimates were used in determining the estimated recoverable amount of the CGU at September 30, 2021:

	WTI Oil (US\$/bbl) ⁽¹⁾	AECO Gas (\$CDN/mmbtu) ⁽¹⁾	\$US/\$CDN ⁽¹⁾
2021	76.00	5.00	0.80
2022	71.00	4.00	0.80
2023	68.00	3.36	0.80
2024	66.00	3.02	0.80
2025	67.32	3.08	0.80
2026	68.67	3.14	0.80
2027	70.04	3.21	0.80
2028	71.44	3.27	0.80
2029	72.87	3.34	0.80
2030	74.33	3.40	0.80
2031	75.81	3.47	0.80
Remainder	+2.0%/yr	+2.0%/yr	0.80 thereafter

(1) Source: Sproule Associates forecasts, effective October 1, 2021.

The Company's independent third party reserve evaluators also assess many other financial estimates regarding forecasted royalty rates, forecasted operating costs and forecasted future development costs along with several other non-financial assumptions that affect reserve volumes. Management considered these assumptions for the impairment reversal test at September 30, 2021, however, it should be noted that all estimates are subject to uncertainty.

As at September 30, 2021, a one percent increase or decrease in the discount rate or a five percent increase or decrease in forward commodity prices would not change the impairment reversal recorded for the northeast British Columbia CGU.

7. Bank loan:

As at September 30, 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 3, 2022. 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 September 30, 2021, the Company's Decommissioning Obligations exceeded \$20 million only in the province of British Columbia, which carried an LMR of 8.0:1. Subsequent to September 30, 2021, the Facility was reviewed and the Borrowing Base was confirmed at the existing level. 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 3, 2022. 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 September 30, 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 September 30, 2021, the Company had issued letters of credit totaling \$10.2 million (December 31, 2020 - \$9.4 million).

8. 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 September 30, 2021, the carrying value of the 2024 Notes was net of deferred financing costs of \$2.4 million (December 31, 2020 - \$3.1 million).

9. Lease obligations:

	As at September 30, 2021	As at December 31, 2020
Less than 1 year	\$ 61	\$ -
1 – 3 years	1,461	974
After 3 years	1,700	2,117
Total undiscounted future lease payments	\$ 3,222	\$ 3,091
Total undiscounted future interest payments	(304)	(382)
Present value of lease obligations	\$ 2,918	\$ 2,709
Current portion of lease obligations, included in accounts payable and accrued liabilities	48	105
Long-term portion of lease obligations	\$ 2,966	\$ 2,814
	Nine months ended September 30, 2021	Year ended December 31, 2020
Principal payments	\$ -	\$ 187
Interest payments	79	102
Total	\$ 79	\$ 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 14, 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.

10. Decommissioning obligations:

	Nine months ended September 30, 2021	Year ended December 31, 2020
Decommissioning obligations, beginning of period	\$ 93,178	\$ 87,024
Obligations incurred	2,885	2,275
Obligations acquired	-	1,229
Obligations settled	(2,497)	(3,115)
Obligations divested	(36,213)	(1,693)
Change in estimated future cash outflows	(4,714)	6,237
Accretion of decommissioning obligations	1,112	1,221
Decommissioning obligations, end of period	\$ 53,751	\$ 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 \$53.8 million as at September 30, 2021 (December 31, 2020 – \$93.2 million) based on an inflation adjusted undiscounted total future liability of \$88.3 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 2029 and 2057. The inflation rate applied to the liability is 1.67% (December 31, 2020 – 1.38%). The discount factor, being the risk-free rate related to the liability, is 1.92% (December 31, 2020 – 1.10%). The \$4.7 million (December 31, 2020 – \$6.2 million) change in estimated future cash outflows for the nine months ended September 30, 2021 is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

Included in decommissioning obligations settled is \$1.2 million (December 31, 2020 – \$1.1 million) related to government grants earned for well site rehabilitation and recognized in Other Income.

11. Share capital:

At September 30, 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 typically vesting 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 settlement date, the Company has the option of settling the award value in cash or common shares of the Company.

For RAs and PAs granted prior to May 21, 2018, the Company is eligible to settle the award value for any such grants either in cash, in common shares issued from treasury or shares acquired in the open market by an independent trustee for such purposes. For RAs and PAs granted subsequent to May 21, 2018 and prior to May 20, 2021, the Company is 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. For RAs and PAs granted subsequent to May 20, 2021, the Company is again, following shareholder approval, eligible to settle the award value of such grants either in common shares issued from treasury or in common shares acquired by an independent trustee in the open market for such purposes. The Company is no longer eligible to settle awards granted after May 20, 2021 with cash.

Common shares are acquired in the open market by an independent trustee and 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 nine months ended September 30, 2021, the trustee purchased 3,223,000 common shares for a total cost of \$3.8 million and as at September 30, 2021 the trustee holds 2,757,000 common shares in trust.

Upon the vesting and settlement of 1,974,000 RAs and 2,152,000 PAs, when taking into account the earned multipliers for PAs, 127,000 common shares of the Company were issued from treasury and 5,734,000 common shares were released from trust for the nine months ended September 30, 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
Granted	2,226	2,562
Vested	(1,974)	(2,152)
Forfeited	(99)	(65)
Balance, September 30, 2021	3,899	4,780

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 September 30, 2021 was 153,992,000 (September 30, 2020 – 152,352,000) and for the nine months ended September 30, 2021, the weighted average number of shares outstanding was 152,937,000 (September 30, 2020 – 152,392,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the three month period ended September 30, 2021, 2,853,000 (September 30, 2020 – nil) shares were added to the weighted average common

shares outstanding to account for the dilution of RAs and PAs and for the nine month period ended September 30, 2021, 3,285,000 (September 30, 2020 – nil) shares were added to the weighted average common shares for dilution. For the three month period ended September 30, 2021, there were nil (September 30, 2020 – 8,529,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive. For the nine month period ended September 30, 2021, there were 82,000 (September 30, 2020 – 8,529,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive.

12. 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 Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Light crude oil	\$ 1,065	\$ 642	\$ 3,074	\$ 1,938
Heavy crude oil	6,086	5,092	17,388	9,813
Natural gas liquids	4,900	1,931	10,727	4,456
Condensate	17,611	8,998	55,311	31,341
Natural gas	45,966	15,681	143,195	47,779
	\$ 75,628	\$ 32,344	\$ 229,695	\$ 95,327

Marketing and processing revenue:

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

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Marketing revenue	\$ -	\$ (524)	\$ -	\$ (815)
Processing revenue	750	597	1,786	1,840
	\$ 750	\$ 73	\$ 1,786	\$ 1,025

13. Financing:

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020
Interest expense	\$ 5,938	\$ 5,793	\$ 17,463	\$ 16,647
Interest on lease obligations	27	-	79	-
Accretion of deferred financing costs	245	245	737	737
Accretion of decommissioning obligations	410	225	1,112	991
	\$ 6,620	\$ 6,263	\$ 19,391	\$ 18,375

14. Commitments:

	Total	2021	2022	2023	2024	2025	Thereafter
Firm transportation agreements	\$ 170,526	\$ 8,692	\$ 36,113	\$ 27,809	\$ 27,359	\$ 26,711	\$ 43,842
Firm processing agreements	186,177	4,718	18,718	18,718	18,752	18,718	106,553
Total	\$ 356,703	\$ 13,410	\$ 54,831	\$ 46,527	\$ 46,111	\$ 45,429	\$ 150,395

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

John A. Brussa

Chairman Independent Director

Karen Nielsen

Independent Director

Ryan Shay, CPA, CA

Independent Director

Gail Hannon

Independent Director

Dale O. Shwed

President, Crew Energy Inc.

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)

mmboc 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