crew energy inc.

2022 ANNUAL REPORT

THE BEST VIEWS COME AFTER
THE HARDEST CLIMBS

MARCH 8, 2023

ABOUT CREW

Crew Energy Inc. ("Crew" or the "Company") is a liquids-rich, growth-oriented natural gas producer, committed to pursuing sustainable per share growth through a balanced mix of financially and socially responsible exploration and development. The Company's operations are exclusively located in northeast British Columbia and feature a vast Montney resource with a large contiguous land base in the Greater Septimus and Groundbirch areas in British Columbia, offering significant development potential over the long-term. Crew has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. The Company's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR" and on the OTCQB in the US under ticker "CWEGF".

CORPORATE INFORMATION

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LEGAL COUNSEL
Burnet, Duckworth & Palmer LLP

RESERVE ENGINEERS
Sproule Associates Ltd.

TRANSFER AGENT
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CREW ENERGY INC. 2022 ANNUAL REPORT

Crew Energy Inc. (TSX: CR, OTCQB: CWEGF) ("Crew" or the "Company"), a growth-oriented, liquids rich natural gas producer operating in the world-class Montney play in northeast British Columbia ("NE BC"), is pleased to announce our operating and financial results for the three and twelve-month periods ended December 31, 2022.

HIGHLIGHTS

- **33,277 boe per day**[1] (200 mmcfe per day) average production in 2022 grew 26% over 2021, exceeding guidance of 32,500 to 33,000 boe per day, while Q4/22 average production of 32,893 boe per day[1] (197 mmcfe per day) also surpassed guidance of 30,000 to 32,000 boe per day.
    - **27% increase** in natural gas production vs 2021 to **154,971 mmcf per day**.
    - **70% increase** in condensate production vs 2021 to a record **4,546 bbls per day.**
    - **15% increase** in natural gas liquids[5,6] ("NGLs") production vs 2021 to **2,804 bbls per day**.
- **$337.3 million of AFF**[2] ($2.08 per fully diluted share[3]) generated in 2022, 154% higher than 2021, driven by production growth and strong operating netbacks[4] that were 76% higher than 2021, averaging $30.43 per boe. In Q4/22, AFF[2] grew 60% over Q4/21 to total $75.0 million ($0.46 per fully diluted share).
- **$160.7 million of Free AFF**[4] generated in 2022, $14.4 million of which was generated in Q4/22, supporting significant deleveraging through the year, further enhancing Crew's long-term sustainability, while 2022 after-tax net income rose 29% to $264.3 million ($1.63 per fully diluted share) over the prior year.
- **63% reduction in net debt**[2] to $149.5 million at year-end 2022, with zero drawn on our $200 million credit facility and proceeds from our $130 million disposition of non-core properties (the "Disposition") allowed Crew to reduce our outstanding Senior Unsecured Notes by 43% compared to year-end 2021, reducing the balance due at maturity in 2024 to $172 million.
    - **Significant improvement** in net debt[2] to trailing last twelve-month ("LTM") EBITDA[3] ratio which declined to **0.4 times** at year-end 2022 from 2.6 times last year.
- **21% lower cash costs per boe**[4] averaging $9.53 in 2022, while net operating costs per boe[4] declined 18% over 2021 to $3.65, and Q4/22 cash costs per boe[4] of $8.67 were 15% lower than Q4/21.
- **$176.6 million exploration and development** program executed safely and responsibly, with 80% directed to drilling and completion activities, 16% to facilities, equipment and pipelines and 4% to land, seismic, and other miscellaneous expenditures.
    - **Net capital expenditures**[4] in 2022 totaled $46.8 million as proceeds from the Disposition offset expenditures.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Dec. 31, 2022**	Three months ended Dec. 31, 2021	**Year ended Dec. 31, 2022**	Year ended Dec. 31, 2021
Petroleum and natural gas sales	**136,948**	103,153	**598,569**	332,848
Cash provided by operating activities	**62,570**	45,747	**317,337**	119,156
Adjusted funds flow[2]	**74,994**	46,833	**337,345**	132,869
Per share[3] – basic	**0.49**	0.31	**2.21**	0.87
– diluted	**0.46**	0.29	**2.08**	0.82
Net income	**71,383**	50,901	**264,359**	205,299
Per share – basic	**0.47**	0.33	**1.73**	1.34
– diluted	**0.44**	0.31	**1.63**	1.27
Property, plant and equipment expenditures	**60,639**	42,341	**176,621**	177,924
Net property dispositions[4]	**(7)**	(460)	**(129,787)**	(8,276)
Net capital expenditures[4]	**60,632**	**41,881**	**46,834**	**169,648**

Capital Structure ($ thousands)	**As at Dec. 31, 2022**	As at Dec. 31, 2021
Working capital surplus (deficiency)[2]	**21,844**	(33,068)
Bank loan	**-**	(75,067)
	21,844	(108,135)
Senior unsecured notes	**(171,298)**	(297,834)
Net debt[2]	**(149,454)**	(405,969)
Common shares outstanding (thousands)	**154,377**	152,480

OPERATIONAL	**Three months ended Dec. 31, 2022**	Three months ended Dec. 31, 2021	**Year ended Dec. 31, 2022**	Year ended Dec. 31, 2021
Daily production				
Light crude oil (bbl/d)	**84**	157	**98**	158
Heavy crude oil (bbl/d)	**-**	-	**-**	802
Natural gas liquids (“ngl”)[5,6] (bbl/d)	**2,565**	2,458	**2,804**	2,446
Condensate (bbl/d)	**3,955**	2,596	**4,546**	2,667
Conventional natural gas (mcf/d)	**157,732**	143,584	**154,971**	122,217
Total (boe/d @ 6:1)	**32,893**	29,142	**33,277**	26,443
Average realized[3]				
Light crude oil price ($/bbl)	**100.10**	89.98	**111.56**	75.95
Heavy crude oil price ($/bbl)	**-**	-	**-**	59.41
Natural gas liquids price ($/bbl)	**37.42**	34.50	**44.42**	20.75
Condensate price ($/bbl)	**105.30**	93.90	**115.43**	79.86
Natural gas price ($/mcf)	**6.14**	5.42	**6.32**	4.82
Commodity price ($/boe)	**45.25**	38.47	**49.28**	34.49

	Three months ended Dec. 31, 2022	Three months ended Dec. 31, 2021	**Year ended Dec. 31, 2022**	Year ended Dec. 31, 2021
Netback ($/boe)				
Petroleum and natural gas sales	**45.25**	38.47	**49.28**	34.49
Royalties	**(6.09)**	(2.70)	**(4.90)**	(2.39)
Realized loss on derivative financial instruments	**(5.72)**	(8.06)	**(7.07)**	(6.31)
Net operating costs[4]	**(3.47)**	(3.49)	**(3.65)**	(4.47)
Net transportation costs[4]	**(3.05)**	(3.52)	**(3.23)**	(4.07)
Operating netback[4]	**26.92**	20.70	**30.43**	17.25
General and administrative ("G&A")	**(1.17)**	(0.91)	**(0.98)**	(0.95)
Financing costs on debt[4]	**(0.98)**	(2.31)	**(1.67)**	(2.53)
Adjusted funds flow[2]	**24.77**	17.48	**27.78**	13.77

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

[2] Capital management measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this report.

[3] Supplementary financial measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this report.

[4] Non-IFRS financial measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with calculations of similar measures or ratios for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this report.

[5] 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.

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

NEW FOUR-YEAR PLAN UPDATE

Crew's recently announced, four-year strategic plan (the "Four-Year Plan"[7]) is designed to significantly increase the Company's size and scale through 2026, building on the momentum and stronger financial position realized following the successful execution of our recently completed two-year plan. Successful implementation of this Four-Year Plan would enable Crew to achieve our next phase of growth with significantly increased production, targeting annual volumes of over 60,000 boe per day. With 70,000 net acres of contiguous land in the Groundbirch area, a key driver behind the Four-Year Plan is the expansion of our gas processing infrastructure which is planned to be anchored by the construction of a 180 mmcf per day deep-cut gas plant in an area ideally located to supply natural gas to Canada's future liquified natural gas ("LNG") export facilities.

Advancement of our focused Groundbirch development plan is predicated on all necessary permits being obtained, supportive commodity prices and securing the requisite financing while maintaining conservative debt leverage metrics. With current spot and future strip natural gas prices being depressed from a supply/demand imbalance caused by unseasonably warm weather across North America and Europe, the Company plans to methodically, and cost effectively, advance the Four-Year Plan through obtaining the necessary permits, monitoring price signals for additional hedging opportunities and continuing to explore a variety of financing options for the project.

OPERATIONS UPDATE & AREA OVERVIEW

NE BC Montney (Greater Septimus)

- Five (5.0 net) extended reach horizontal ("ERH") ultra-condensate rich ("UCR") wells were completed on the 11-27 pad in December of 2022. After 34 days on production, based on field estimates, these wells are currently producing at an average raw gas production rate of 1,570 mcf per day of natural gas and 828 bbls per day of condensate.

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

Groundbirch

- The second phase of development at Crew's 4-17 pad, targeting two additional zones in the Upper Montney with five (5.0 net) ERH wells, continues to exceed internal type curve forecasts, with an average per well raw gas production rate over 160 days ("IP160") of 6,577 mcf per day.
- The Upper Montney at Groundbirch is approximately 470 feet in thickness and has four prospective zones, all of which were tested through Crew's 4-17 exploration and development program in 2021 and 2022, with each zone having generated promising initial commercial development rates.
- The results from the past year's delineation and initial development drilling at Groundbirch demonstrated the breadth and strength of our asset base, and position Crew with potentially decades of continued development.

Other NE BC Montney

- The Company completed drilling operations on the six-well, 15-28 ERH pad at Tower during Q4/22. The wells target light oil in the upper Montney "B" and "C" zones, have lateral lengths of over 4,000 meters and are currently planned to be completed in Q3/23.

RISK MANAGEMENT PROFILE

To secure a base level of AFF[2] to fund planned capital projects, Crew continues to utilize hedging to limit exposure to fluctuations in commodity prices and foreign exchange rates, while allowing for participation in spot commodity prices. As of March 8, 2023, the Company has hedged approximately 72,000 GJ's at C$4.47 per GJ (or $5.36 per mcf using Crew's higher heat content factor) and 1,500 bbls per day of condensate at an average price of C$106.00 per bbl for the first six months of 2023, and 1,000 bbls per day at an average price of C$100.25 per bbl for the second half of 2023.

SUSTAINABILITY AND ESG INITIATIVES

Crew strives to be a leader in environmental, social, and governance ("ESG"). With a focus on sustainability initiatives, we are unwavering in our dedication to safe and responsible energy production.

Throughout 2022, some of our key ESG highlights include:

- Crew achieved independent certification of our natural gas and natural gas liquids production from our NE BC Development area under the Equitable Origin EO100™ Standard for Responsible Energy Development. The certification confirms Crew's best-practice methods for ESG performance in the energy sector and demonstrates our commitment to continuous improvement.
- Crew invested a record $13.1 million on decommissioning activities in 2022. Undertaking these activities has reduced our idle well count by 33% in 2022.
- Crew anticipates a 25% reduction in Scope 1 and Scope 2 GHG emissions intensity in 2022 from 2021 levels. We continue to strive for top-tier emissions intensity as we pursue opportunities such as waste heat recovery, re-spoolable surface pipelines, and electrification by using low emission hydroelectric power.

Please visit www.esg.crewenergy.com to learn more about Crew's latest sustainability initiatives showcased within our digital ESG Report and data performance tables

OUTLOOK

On January 18, 2023, the B.C. Government and Blueberry River First Nations announced the signing of the 'Blueberry River First Nations Implementation Agreement'. Additionally, on January 20, 2023, a Consensus Agreement between the B.C. Government and several of the Treaty 8 First Nations was announced. Crew believes this resolution now supports our ability to optimize capital allocation, further enabling the Company to continue to generate value from our vast Montney resource. Permit applications have been submitted for approval to the BC Energy Regulator in respect of 93 well locations, our planned Groundbirch Plant, pipelines, facilities and other investments.

As a result of unseasonably warmer temperatures across parts of North America and Europe through the latter part of 2022 and into 2023, a natural gas supply/demand imbalance has materialized, leading to a sharp price decline for both spot and future natural gas prices. In response, the Company is adjusting our original 2023 budget and associated guidance initially released in early December 2022, summarized below.

- 2023 net capital expenditures[4] reduced to $190 to $210 million, from original budget of $230 to $250 million, targeting to:
    - Drill 15 (15.0 net) Montney wells (versus original budget of 18 (18.0 net) wells)
    - Complete, equip and tie-in 12 (12.0 net) wells (versus previous plan to complete, equip and tie-in 19 (19.0 net) wells)
    - Maintain 2023 average production at 30,000 to 32,000 boe per day[1] targeting an exit rate of 32,000 to 34,000 boe per day[1], versus previous exit rate forecast of 35,000 to 37,000 boe per day[1], given seven (7.0 net) fewer wells are planned to be completed in the latter half of the year
    - Hold an inventory of ten (10.0 net) drilled and uncompleted UCR wells at year end 2023 (versus previous plan of six (6.0 net) wells)
    - Continues to facilitate the redemption of the balance of Crew's $172 million outstanding Senior Unsecured Notes in the first half of 2023
- Inherent optionality of our asset base plus condensate prices over $100 per bbl has led Crew to pivot and focus on drilling in the UCR area of Greater Septimus, which is expected to drive 50% growth in condensate and light oil production in Q4/23 vs Q4/22, achieving volumes greater than 6,000 bbls per day
    - Crew estimates that liquids production will represent over 50% of petroleum and natural gas sales in 2023
    - Incremental volumes are expected to be supported by a condensate stabilization project at Septimus, which is forecast to increase corporate condensate processing capacity to 11,000 bbls per day in Q3/23
- Q1/23 net capital expenditures[4] are forecast at $25 to $30 million, with average production of 31,000 to 33,000 boe per day[1];

Crew's active development program is designed to continue targeting optimal investment returns in the current environment while maintaining conservative leverage metrics, positioning the Company to prudently and strategically develop our significant resource base under the Four-Year Plan.

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

	Previous 2023 Guidance and Assumptions	**Updated 2023 Guidance and Assumptions[8]**
Net capital expenditures[4] ($Millions)	230-250	**190-210**
Annual average production[1] (boe/d)	30,000–32,000	**30,000–32,000**
Adjusted funds flow[2] ($Millions)	300-320	**240-260**
Free adjusted funds flow[4] ($Millions)	50–90	**30-70**
EBITDA[4] ($Millions)	310–330	**250-270**
Oil price (WTI)($US per bbl)	$80.00	**$75.00**
Natural gas price (NYMEX) ($US per mmbtu)	$5.00	**$3.20**
Natural gas price (AECO 5A) ($C per mcf)	$4.25	**$2.85**
Natural gas price (Crew est. wellhead) ($C per mcf)	$5.25	**$3.30**
Foreign exchange ($US/$CAD)	$0.75	**$0.74**
Royalties	9–11%	**9–11%**
Net operating costs[4] ($ per boe)	$4.50–$5.00	**$4.50–$5.00**
Net transportation costs[4] ($ per boe)	$3.50–$4.00	**$3.50–$4.00**
G&A ($ per boe)	$1.00–$1.20	**$1.00–$1.20**
Effective interest rate on long-term debt	6.5–7.5%	**6.5–7.5%**

2023 Sensitivities	**AFF ($MM)**	**AFF/Share**	**FD AFF/Share**
100 bbl per day Condensate	$3.3	$0.02	$0.02
C$1.00 per bbl WTI	$1.3	$0.01	$0.01
US $0.10 NYMEX (per mmbtu)	$3.1	$0.02	$0.02
1 mmcf per day natural gas	$1.2	$0.01	$0.01
$0.10 AECO 5A (per GJ)	$2.6	$0.02	$0.02
$0.01 FX CAD/US	$2.9	$0.02	$0.02

With a world-class Montney asset base that is ideally situated to capitalize on the incredible potential to provide natural gas for Canadian LNG, Crew remains focused on operational excellence and financial strength. With an established track record of successfully navigating a variety of market opportunities and challenges, Crew has a quality asset base and a committed team with the vision to deliver long-term shareholder value. With a strong risk management program and a proven strategy, we look forward to realizing our objectives while upholding our commitment to remain a safe and environmentally responsible operator. Thank you to our stakeholders for your ongoing contributions, dedication, and continued support.

ADVISORIES

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" "targets" 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 Four-Year Plan and underlying strategy, plans, goals and targets, all as more particularly outlined and described in this report; our 2023 annual capital budget range (the "2023 Budget"), associated drilling and completion plans, the anticipated timing thereof, and all associated near term initiatives, goals and targets, along with all guidance and underlying assumptions related to the 2023 Budget as outlined in the "Outlook" section in this report; production estimates and targets under the 2023 Budget and balance of the Four-Year Plan; infrastructure plans and anticipated benefits outlined in this report including construction of the Groundbirch Plant, anticipated timing and assumed receipt of all regulatory approvals required in connection therewith; our ability to secure financing for the Groundbirch Plant and timing thereof; forecast improvement in debt and leverage metrics;

[8] 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.

commodity price expectations and assumptions; Crew's commodity risk management programs and future hedging plans; marketing and transportation and processing plans and requirements; estimates of processing capacity and requirements; anticipated reductions in GHG emissions and decommissioning obligations; future liquidity and financial capacity and planned redemption of our outstanding senior unsecured notes; future results from operations and operating and leverage metrics; targeted debt levels and leverage metrics over the course of the Four-Year Plan; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including our capital investment model through 2026 and associated drilling and completion plans, associated receipt of all required regulatory permits for our Four-Year Plan, development timing and cost estimates); the potential to serve a Canadian LNG market; the potential of our Groundbirch area to be a core area of future development and the anticipated commerciality of up to four potential prospective zones to be drilled; the successful implementation of our ESG initiatives, and significant emissions intensity improvements going forward; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability and the expected positive attributes discussed herein attributable to our Four-Year Plan.

The internal projections, expectations, or beliefs underlying our Board approved 2023 Budget and associated guidance, as well as management's preliminary strategy, and associated plans, goals and targets in respect of the balance of its Four-Year Plan, are subject to change in light of, without limitation, the Russia/Ukraine conflict and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, volatile commodity prices, resulting changes in our underlying assumptions, goals and targets provided herein and changes in industry conditions and regulations. Crew's financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions, for such time periods based upon the key assumptions outlined herein. In this report reference is made to the Company's longer range 2024 and beyond internal plan and associated economic model. Such information reflects internal goals and targets used by management for the purposes of making capital investment decisions and for internal long-range planning and future budget preparation. Readers are cautioned that events or circumstances and updates to underlying assumptions could cause capital plans and associated results to differ materially from those predicted and Crew's guidance for 2023, and more particularly its internal plan, goals and targets for 2024 and beyond which are not based upon Board approved budget(s) at this time, may not be appropriate for other purposes. Accordingly, undue reliance should not be placed on same.

In addition, forward-looking statements or information are based on several material factors, expectations or assumptions of Crew which have been used to develop such statements and information, but which may prove to be incorrect. Although Crew believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Crew can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that Crew will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities consistent with past operations; the quality of the reservoirs in which Crew operates and continued performance from existing wells; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Crew’s reserve volumes; certain commodity price and other cost assumptions; continued availability of debt and equity financing and cash flow to fund Crew’s current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Crew operates; that future business, regulatory and industry conditions will be within the parameters expected by Crew; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Crew to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Crew has an interest in to operate the field in a safe, efficient and effective manner; the ability of Crew to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Crew to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes, environmental and indigenous matters in the jurisdictions in which Crew operates; that regulatory authorities in British Columbia will resume and continue, as the case may be, granting approvals for oil and gas activities on time frames, and on terms and conditions, consistent with past practices; and the ability of Crew to successfully market its oil and natural gas products.

The forward-looking information and statements included in this 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 defer materially from those anticipated in such forward-looking information or statements including, without limitation: the continuing and uncertain impact of pandemics and the Russia / Ukraine conflict; changes in commodity prices; changes in the demand for or supply of Crew's products, the early stage of development of some of the evaluated areas and zones and the potential for variation in the quality of the Montney formation; interruptions, unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates; climate change regulations, or other regulatory matters; changes in development plans of Crew or by third party operators of Crew's properties, increased debt levels or debt service requirements; inaccurate estimation of Crew's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Crew's public disclosure documents (including, without limitation, those risks identified in this report and Crew's Annual Information Form).

This report contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Crew's prospective capital expenditures, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Crew and the resulting financial results will likely vary from the amounts set forth in this report and such variation may be material. Crew and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Crew undertakes no obligation to update such FOFI. FOFI contained in this report was made as of the date of this report and was provided for the purpose of providing further information about Crew's anticipated future business operations. Readers are cautioned that the FOFI contained in this report should not be used for purposes other than for which it is disclosed herein.

The forward-looking information and statements contained in this report speak only as of the date of this report, and Crew does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Risk Factors to the Company’s Four-Year Plan

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

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

Information Regarding Disclosure on Oil and Gas Operational Information

All amounts in this report are stated in Canadian dollars unless otherwise specified. This report contains metrics commonly used in the oil and natural gas industry. Each of these metrics are determined by Crew as specifically set forth in this report. These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included to provide readers with additional information to evaluate the Company’s performance however, such metrics are not reliable indicators of future performance and therefore should not be unduly relied upon for investment or other purposes. See "Non-IFRS and Other Financial Measures" below for additional disclosures.

Test Results and Initial Production Rates

A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be preliminary until such analysis or interpretation has been completed. Test results and initial production (“IP”) rates disclosed herein, particularly those short in duration, may not necessarily be indicative of long-term performance or of ultimate recovery.

BOE and Mcfe Conversions

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

Non-IFRS and Other Financial Measures

Throughout this report and other materials disclosed by the Company, Crew uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other specified financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other specified financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Crew's performance. Management believes that the presentation of these non-IFRS and other specified financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Crew's business performance against prior periods on a comparable basis.

Capital Management Measures

a) Funds from Operations and Adjusted Funds Flow ("AFF")

Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital, accretion of deferred financing costs and transaction costs on property dispositions. Adjusted funds flow represents funds from operations before decommissioning obligations settled (recovered). The Company considers these metrics as key measures that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. Management believes that such measures provide an insightful assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges, actual settlements of decommissioning obligations and transaction costs on property dispositions, the timing of which is discretionary. Funds from operations and adjusted funds flow should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Crew's determination of funds from operations and adjusted funds flow may not be comparable to that reported by other companies. Crew also presents adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of income per share. The applicable reconciliation to the most directly comparable measure, cash provided by operating activities, is contained under "free adjusted funds flow" below.

b) Net Debt and Working Capital Surplus (Deficiency)

Crew closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of its capital structure. The Company uses net debt (bank debt plus working capital deficiency or surplus, excluding the current portion of the fair value of financial instruments) as an alternative measure of outstanding debt. Management considers net debt and working capital deficiency (surplus) an important measure to assist in assessing the liquidity of the Company.

Non-IFRS Financial Measures and Ratios

a) Net Property Acquisitions (Dispositions)

Net property acquisitions (dispositions) equals property acquisitions less property dispositions and transaction costs on property dispositions. Crew uses net property acquisitions (dispositions) to measure its total capital investment compared to the Company's annual capital budgeted expenditures. The most directly comparable IFRS measures to net property acquisitions (dispositions) are property acquisitions and property dispositions.

b) Net Capital Expenditures

Net capital expenditures equals exploration and development expenditures less net property acquisitions (dispositions). Crew uses net capital expenditures to measure its total capital investment compared to the Company's annual capital budgeted expenditures. The most directly comparable IFRS measure to net capital expenditures is property, plant and equipment expenditures.

($ thousands)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Property, plant and equipment expenditures	60,639	53,560	42,341	176,621	177,924
Less: Net property dispositions	(7)	(129,780)	(460)	(129,787)	(8,276)
Net capital expenditures	60,632	(76,220)	41,881	46,834	169,648

c) EBITDA

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

($ thousands)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Cash provided by operating activities	62,570	82,322	45,747	317,337	119,156
Change in operating non-cash working capital	7,565	(16,243)	(668)	8,331	8,844
Accretion of deferred financing costs	(149)	(214)	(246)	(854)	(983)
Transaction costs on property dispositions	-	203	-	203	2,505
Funds from operations	69,986	66,068	44,833	325,017	129,522
Decommissioning obligations settled excluding government grants	5,008	3,349	2,000	12,328	3,347
Adjusted funds flow	74,994	69,417	46,833	337,345	132,869
Interest	2,971	6,916	6,199	22,211	24,399
EBITDA	77,965	76,333	53,032	359,556	157,268

d) Free Adjusted Funds Flow

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

($ thousands)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Cash provided by operating activities	62,570	82,322	45,747	317,337	119,156
Change in operating non-cash working capital	7,565	(16,243)	(668)	8,331	8,844
Accretion of deferred financing costs	(149)	(214)	(246)	(854)	(983)
Transaction costs on property dispositions	-	203	-	203	2,505
Funds from operations	69,986	66,068	44,833	325,017	129,522
Decommissioning obligations settled excluding government grants	5,008	3,349	2,000	12,328	3,347
Adjusted funds flow	74,994	69,417	46,833	337,345	132,869
Less: property, plant and equipment expenditures	60,639	53,560	42,341	176,621	177,924
Free adjusted funds flow	14,355	15,857	4,492	160,724	(45,055)

e) Net Operating Costs

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

($ thousands, except per boe)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Operating costs	11,115	12,580	10,287	47,759	45,828
Processing revenue	(616)	(520)	(934)	(3,441)	(2,720)
Net operating costs	10,499	12,060	9,353	44,318	43,108
Per boe	3.47	4.12	3.49	3.65	4.47

f) Net Operating Costs per boe

Net operating costs per boe equals net operating costs divided by production. Management views net operating costs per boe as an important measure to evaluate its operational performance. The calculation of Crew's net operating costs per boe can be seen in the non-IFRS measure entitled "Net Operating Costs" above.

g) Net Transportation Costs

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

($ thousands, except per boe)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Transportation costs	10,701	11,482	10,868	45,120	44,943
Transportation revenue	(1,485)	(1,485)	(1,421)	(5,892)	(5,638)
Net transportation costs	9,216	9,997	9,447	39,228	39,305
Per boe	3.05	3.42	3.52	3.23	4.07

h) Net Transportation Costs per boe

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

i) Operating Netback per boe

Operating netback per boe equals petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Management considers operating netback per boe an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

($/boe)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Petroleum and natural gas sales	45.25	45.46	38.47	49.28	34.49
Royalties	(6.09)	(6.86)	(2.70)	(4.90)	(2.39)
Realized loss on derivative financial instruments	(5.72)	(4.63)	(8.06)	(7.07)	(6.31)
Net operating costs	(3.47)	(4.12)	(3.49)	(3.65)	(4.47)
Net transportation costs	(3.05)	(3.42)	(3.52)	(3.23)	(4.07)
Operating netbacks	26.92	26.43	20.70	30.43	17.25
Production (boe/d)	32,893	31,792	29,142	33,277	26,443

j) Cash costs per boe

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

($/boe)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Net operating costs	3.47	4.12	3.49	3.65	4.47
Net transportation costs	3.05	3.42	3.52	3.23	4.07
General and administrative expenses	1.17	0.99	0.91	0.98	0.95
Financing costs on debt	0.98	1.70	2.31	1.67	2.53
Cash costs	8.67	10.23	10.23	9.53	12.02

k) Financing costs on debt per boe

Financing costs on debt per boe is comprised of the sum of interest on bank loan and other, interest on senior notes and accretion of deferred financing charges, divided by production. Management views financing costs on debt per boe as an important measure to evaluate its cost of debt financing.

($ thousands, except per boe)	Three months ended Dec. 31, 2022	Three months ended Sept 30, 2022	Three months ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Interest on bank loan and other	4	154	1,038	2,321	3,916
Interest on senior notes	2,818	4,607	4,915	17,095	19,500
Accretion of deferred financing charges	149	214	246	854	983
Financing costs on debt	2,971	4,975	6,199	20,270	24,399
Production (boe/d)	32,893	31,792	29,142	33,277	26,443
Financing costs on debt per boe	0.98	1.70	2.31	1.67	2.53

Supplementary Financial Measures

"Adjusted funds flow per basic share" is comprised of adjusted funds flow divided by the basic weighted average common shares.

"Adjusted funds flow per diluted share" is comprised of adjusted funds flow divided by the diluted weighted average common shares.

"Adjusted funds flow per boe" is comprised of adjusted funds flow divided by total production.

"Average realized commodity price" is comprised of commodity sales from production, as determined in accordance with IFRS, divided by the Company's production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

“Average realized light crude oil price” is comprised of light crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company’s light crude oil production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

“Average realized heavy crude oil price” is comprised of heavy crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company’s heavy crude oil production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized ngl price" is comprised of ngl commodity sales from production, as determined in accordance with IFRS, divided by the Company's ngl production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

“Average realized condensate price” is comprised of condensate commodity sales from production, as determined in accordance with IFRS, divided by the Company’s condensate production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized natural gas price" is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Net debt to last twelve months (“LTM”) EBITDA" is calculated as net debt at a point in time divided by EBITDA earned from that point back for the trailing twelve months.

Supplemental Information Regarding Product Types

References to gas or natural gas and NGLs in this report refer to conventional natural gas and natural gas liquids product types, respectively, as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), except where specifically noted otherwise.

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

	Light & Medium Crude Oil	Heavy Crude Oil	Condensate	Natural Gas Liquids[1]	Conventional Natural Gas	Total (boe/d)
Q1 2023 Average	0%	0%	14%	7%	79%	31,000-33,000
2023 Annual Average	3%	0%	13%	7%	77%	30,000-32,000
2023 Exit Rate	6%	0%	14%	7%	73%	32,000-34,000

Notes:
1) Excludes condensate volumes which have been reported separately.

YEAR END 2022

Management's Discussion and Analysis

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Consolidated Financial Statements

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

Crew Energy Inc. ("Crew" or the "Company") is a Canadian 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 focused in northeast British Columbia ("NE BC") and include a large contiguous land base with a vast Montney formation resource. 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 consolidated financial statements along with an analysis of the financial position of the Company. Comments relate to and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures provided herein and in the December 31, 2022 and 2021 audited consolidated financial statements are reported in Canadian dollars ("CDN"). The Company uses certain non-IFRS financial measures and ratios, as well as capital management and supplementary measures in this MD&A. For a discussion of these measures and ratios, including the method of calculation, please refer to the section titled "Non-IFRS and Other Financial Measures" contained within this MD&A. This MD&A is dated March 8, 2023.

FINANCIAL HIGHLIGHTS

Financial ($ thousands, except per share amounts)	**Three months ended December 31, 2022**	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Petroleum and natural gas sales	**136,948**	103,153	**598,569**	332,848
Cash provided by operating activities	**62,570**	45,747	**317,337**	119,156
Adjusted funds flow	**74,994**	46,833	**337,345**	132,869
Per share(1) -basic	**0.49**	0.31	**2.21**	0.87
-diluted	**0.46**	0.29	**2.08**	0.82
Net income	**71,383**	50,901	**264,359**	205,299
Per share -basic	**0.47**	0.33	**1.73**	1.34
-diluted	**0.44**	0.31	**1.63**	1.27
Property, plant and equipment expenditures	**60,639**	42,341	**176,621**	177,924
Net property dispositions(2)	**(7)**	(460)	**(129,787)**	(8,276)
Net capital expenditures(2)	**60,632**	41,881	**46,834**	169,648

Capital structure ($ thousands)	**As at December 31, 2022**	As at December 31, 2021
Working capital surplus (deficiency)	**21,844**	(33,068)
Bank loan	**-**	(75,067)
	21,844	(108,135)
Senior unsecured notes	**(171,298)**	(297,834)
Net debt	**(149,454)**	(405,969)
Common shares outstanding (thousands)	**154,377**	152,480

Notes:

(1) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

(2) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

OPERATING HIGHLIGHTS

Operations	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Daily production[1]				
Light crude oil (bbl/d)	**84**	157	**98**	158
Heavy crude oil (bbl/d)	**-**	-	**-**	802
Natural gas liquids (bbl/d)	**2,565**	2,458	**2,804**	2,446
Condensate (bbl/d)	**3,955**	2,596	**4,546**	2,667
Natural gas (mcf/d)	**157,732**	143,584	**154,971**	122,217
Oil equivalent (boe/d @ 6:1)	**32,893**	29,142	**33,277**	26,443
Average realized[2]				
Light crude oil price ($/bbl)	**100.10**	89.98	**111.56**	75.95
Heavy crude oil price ($/bbl)	**-**	-	**-**	59.41
Natural gas liquids price ($/bbl)	**37.42**	34.50	**44.42**	20.75
Condensate price ($/bbl)	**105.30**	93.90	**115.43**	79.86
Natural gas price ($/mcf)	**6.14**	5.42	**6.32**	4.82
Commodity price ($/boe)	**45.25**	38.47	**49.28**	34.49
Netback ($/boe)				
Operating netback[3]	**26.92**	20.70	**30.43**	17.25
General and administrative	**(1.17)**	(0.91)	**(0.98)**	(0.95)
Financing costs on debt[3]	**(0.98)**	(2.31)	**(1.67)**	(2.53)
Adjusted funds flow per boe[2]	**24.77**	17.48	**27.78**	13.77
Drilling activity				
Gross wells	**7**	2	**17**	26
Working interest wells	**7.0**	2.0	**17.0**	24.7
Completion activity				
Gross wells	**5**	8	**16**	24
Working interest wells	**5.0**	8.0	**16.0**	22.7

Notes:
(1) Throughout this MD&A, light crude oil refers to light and medium crude oil product type as defined by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. Throughout this MD&A, references to other natural gas liquids or ngls 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.
(2) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.
(3) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

RESULTS OF OPERATIONS

Annual Overview

Crew delivered strong operational and financial results in 2022 as the Company concluded its two-year plan, generating profitable growth. The past year saw the Company achieve record production combined with significantly improved operating netbacks that led to record adjusted funds flow ("AFF") and a significant strengthening of our balance sheet. The results from the past year demonstrated the strength of our asset base and has set the stage for the Company's next phase of growth that will focus on the expansion of our vast Montney resource at Groundbirch, which is ideally located to supply natural gas to Canada's future liquified natural gas ("LNG") export facilities.

Over the past year, the Company grew average production by 26% to 33,277 boe per day in 2022 from an average of 26,443 boe per day in 2021. Production growth was the result of focused development drilling in our condensate-rich Greater Septimus area, along with proof of concept and initial development of Crew's prolific dry gas resource at Groundbirch. The Company invested $177 million in our exploration and development program, drilling 17 (17.0 net) wells and the completion of 16 (16.0 net) wells along with continued expansion of Crew's vast gathering infrastructure connected to our two operated gas processing facilities.

Commodity prices were robust throughout 2022, as demand for resources continued their recovery from the global impact of the novel coronavirus ("COVID-19") shut-downs. This was enhanced early in the year with the invasion of Ukraine by Russia and the swift response by the United States ("U.S.") and Europe, which included sanctioning of Russian produced oil and natural gas. With this as a backdrop, OPEC+ oil producing nations remained disciplined and methodical in their approach to increasing production quotas that were initiated during COVID-19 and North American producers focused on returning capital to investors rather than investing in production growth. This resulted in the 2022 price of the benchmark WTI oil price, denominated in Canadian dollars, averaging $122.38 per boe, a 44% increase over 2021. Natural gas prices remained strong through most of 2022, as prices benefited from a return to pre-pandemic demand levels. In addition, North American natural gas also benefited from the continued globalization of natural gas pricing through the expanded export of LNG out of the United States. Global LNG pricing was further enhanced in the first quarter as the Russia-Ukraine conflict brought into question Europe's reliance on Russian supplied natural gas, shifting that reliance to global LNG to refill low gas storage levels. Canada's natural gas benchmark price, AECO 5A, averaged $5.31 per mcf in 2022, an increase of 47% over the prior year.

The Company's strong production performance was well timed to benefit from the 2022 strong commodity price performance. This performance was enhanced by a 21% reduction in the Company's cash costs per boe(1), represented by net operating, net transportation, general and administration and interest costs, from $12.02 per boe in 2021 to $9.53 per boe in 2022. The record production and strong pricing combined with lower costs resulted in record AFF generation of $337 million, Free AFF(1) of $161 million and after-tax net income of $264 million.

The $161 million of Free AFF(1) generated in 2022 was directed towards the strengthening of the Company's financial position, including the full repayment of the bank loan. In the third quarter, the Company further bolstered its financial position with the successful strategic sale of non-core, non-producing assets in NE BC for gross proceeds of $130 million. With the receipt of the disposition proceeds, the Company redeemed $128 million of its outstanding 6.5% senior unsecured notes, helping to further strengthen the balance sheet and position Crew for long-term sustainability. The Company ended 2022 with net debt of $149 million, a 63% reduction from the $406 million balance at the end of 2021.

The Company's strong 2022 operational and financial performance highlights the breadth of our assets and the vast resource available to enhance shareholder value. With the completion of the Company's highly successful two-year plan and a strong financial position, a new four-year plan was recently announced that is designed to significantly increase the Company's size and scale. The plan to make a significant capital investment, including a proposed deep-cut gas plant at Groundbirch, with a minimum of 180 mmcf/d of natural gas processing capacity, will position Crew to grow its production to over 60,000 boe per day in 2026. This plan is conditional on receiving all necessary permits, supportive commodity prices and the necessary financing is obtained.

Fourth Quarter Overview

Crew's fourth quarter 2022 production averaged 32,893 boe per day, was 3% higher than third quarter 2022 production and exceeded the Company's guidance of 30,000 to 32,000 boe per day, benefiting from five new dry natural gas wells added on the 4-17 Groundbirch pad and the continued strength of the 4-14 ultra-condensate rich ("UCR") wells at Septimus. Property, Plant and Equipment Expenditures totaled $60.6 million, which included the drilling of the year's final seven (7.0 net) wells, including the final well (1.0 net) on the six (6.0 net) well 11-27 pad and six (6.0 net) wells at Tower. Completions during the fourth quarter included five (5.0 net) wells at the 11-27 pad that were initially brought on for testing before the end of the year.

Commodity prices remained strong in the fourth quarter, with natural gas prices improving over the third quarter, a result of the anticipation of the oncoming winter heating demand season. Crude oil and natural gas liquid prices declined slightly in the quarter as concerns over a prolonged period of inflation began to weigh on the price of commodities, including crude oil. The Company's combined liquids pricing, including crude oil, condensate and other natural gas liquids ("ngl"), decreased 5% in the quarter, while Crew's natural gas price increased by 9% as compared to the third quarter. Overall, Crew's fourth quarter average realized commodity price was $45.25 per boe, a slight decrease over the third quarter of 2022. This decrease was the result of the lower liquids pricing and an increase in the Company's natural gas weighting to 80% of total production in the fourth quarter, increasing from 76% in the previous quarter, a result of the addition of dry natural gas production from the new wells at Groundbirch.

AFF for the fourth quarter totaled $75.0 million, representing an 8% increase over the third quarter of 2022, a result of increased production and lower costs per boe[1], primarily due to lower financing costs incurred after the third quarter repayment of $128 million of the Company's outstanding senior unsecured notes with the proceeds from the $130 million none-core property disposition.

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Production

	Three months ended December 31, 2022	Three months ended September 30, 2022
Crude oil (bbl/d)	**84**	83
Condensate (bbl/d)	**3,955**	4,731
Ngl (bbl/d)	**2,565**	2,692
Natural gas (mcf/d)	**157,732**	145,715
Total (boe/d)	**32,893**	31,792

Production during the fourth quarter of 2022 increased 3% over the third quarter of 2022, as a result of a full quarter of production from the addition of new natural gas wells brought on production late in the third quarter of 2022 at Groundbirch, coupled with the addition of new liquids-rich natural gas wells brought on production late in the fourth quarter of 2022 at West Septimus.

	Three months ended December 31, 2022					Three months ended December 31, 2021				
	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	**84**	**3,955**	**2,565**	**157,732**	**32,893**	157	2,596	2,458	143,584	29,142

Production during the fourth quarter of 2022 increased 13% over the same period in 2021, as a result of the successful execution of the Company's strategic two-year development plan that included the drilling and completion of 24 wells in the Greater Septimus and Groundbirch areas adding new natural gas, condensate and ngl production over the past twelve months.

	Year ended December 31, 2022					Year ended December 31, 2021				
	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	**98**	**4,546**	**2,804**	**154,971**	**33,277**	158	2,667	2,446	122,097	25,621
Lloydminster	**-**	**-**	**-**	**-**	**-**	802	-	-	120	822
Total	**98**	**4,546**	**2,804**	**154,971**	**33,277**	960	2,667	2,446	122,217	26,443

Production in 2022 increased 26% as compared to the same period in 2021 due to the aforementioned addition of liquids-rich natural gas wells and dry gas wells in the Greater Septimus and Groundbirch areas, also contributing to the 70% increase in condensate production. Production increases were partially offset by the disposition of the Lloydminster heavy oil assets in the third quarter of 2021.

Petroleum and Natural Gas Sales

	Three months ended December 31, 2022	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Petroleum and natural gas sales ($ thousands)					
Light crude oil	**778**	798	1,301	**3,986**	4,375
Heavy crude oil	**-**	-	-	**-**	17,388
Natural gas liquids	**8,832**	10,229	7,801	**45,464**	18,528
Condensate	**38,311**	46,201	22,427	**191,523**	77,738
Natural gas	**89,027**	75,722	71,624	**357,596**	214,819
Total	**136,948**	132,950	103,153	**598,569**	332,848
Average realized					
Light crude oil price ($/bbl)	**100.10**	104.30	89.98	**111.56**	75.95
Heavy crude oil price ($/bbl)	**-**	-	-	**-**	59.41
Natural gas liquids price ($/bbl)	**37.42**	41.30	34.50	**44.42**	20.75
Condensate price ($/bbl)	**105.30**	106.15	93.90	**115.43**	79.86
Natural gas price ($/mcf)	**6.14**	5.65	5.42	**6.32**	4.82
Commodity price ($/boe)	**45.25**	45.46	38.47	**49.28**	34.49
Benchmark pricing					
Light crude oil – WTI (Cdn $/bbl)	**112.22**	119.46	97.13	**122.38**	85.09
Condensate – Condensate @ Edmonton (Cdn $/bbl)	**113.17**	113.87	99.61	**121.76**	85.45
Natural Gas:					
AECO 5A daily index (Cdn $/mcf)	**5.11**	4.16	4.66	**5.31**	3.62
AECO 7A monthly index (Cdn $/mcf)	**5.58**	5.81	4.94	**5.56**	3.56
Alliance 5A (Cdn $/mcf)	**4.94**	4.53	5.00	**5.54**	4.25
Chicago City Gate at NIT (Cdn $/mcf)	**6.05**	8.39	4.56	**6.69**	5.32
Chicago Interstates at ATP (Cdn $/mcf)	**6.45**	8.84	5.03	**7.14**	4.93
Dawn at NIT (Cdn $/mcf)	**5.98**	8.59	4.83	**6.83**	3.51
Station 2 (Cdn $/mcf)	**3.23**	3.10	3.70	**4.46**	3.29
Natural gas sales portfolio					
AECO 5A	**62%**	66%	61%	**65%**	42%
Alliance 5A	**8%**	11%	15%	**10%**	20%
Chicago City-Gate at NIT	**5%**	5%	-	**5%**	-
Chicago Interstates at ATP	**5%**	-	10%	**1%**	29%
Dawn at NIT	**5%**	5%	-	**5%**	-
Station 2	**15%**	13%	14%	**14%**	9%

Fourth quarter 2022 compared to third quarter 2022:

In the fourth quarter of 2022, the Company's petroleum and natural gas sales increased 3% as compared to the third quarter of 2022, as a result of a 3% increase in production slightly offset from a marginal decrease in the average realized commodity price during the quarter.

The Company's fourth quarter realized light crude oil price decreased 4% over the third quarter of 2022, which is consistent with the Company's WTI benchmark decrease of 6% as compared to the previous quarter.

Crew's average realized ngl price decreased 9% in the fourth quarter as compared to the third quarter of 2022, due to decreases in realized propane and butane component prices partially offset with the Company shifting to trucking a larger portion of its ngl volumes to higher valued local markets. The Company's fourth quarter average realized condensate price decreased 1% over the third quarter of 2022, which was consistent with the 1% decrease in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price increased by 9% in the fourth quarter of 2022 as compared to the previous quarter, which is consistent with the 11% increase in the Company's natural gas sales portfolio weighted benchmark price.

Fourth quarter 2022 compared to fourth quarter 2021:

The fourth quarter 2022 petroleum and natural gas sales increased 33% as compared to the same period in 2021, as a result of an 18% increase in average realized commodity price, combined with a 13% increase in production.

The Company's fourth quarter average realized light crude oil price increased 11% over the fourth quarter of 2021, which was slightly lower than the Company's WTI benchmark increase of 16%, mainly due to increases in pipeline tariff deductions which negatively impact the realized commodity price.

Crew's average realized ngl price increased 8% in the fourth quarter as compared to the same period in 2021, due to an increase in the value of component pricing, in particular increases in realized propane and butane pricing across North America. The Company's fourth quarter average realized condensate price increased 12% over the same period in 2021, which was consistent with the 14% increase in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price increased by 13% in the fourth quarter of 2022, which is higher than the 8% increase in the Company's natural gas sales portfolio weighted benchmark price as a result of short-term fixed price delivery contracts that positively impacted the Company's realized natural gas price in the fourth quarter of 2022.

Year ended 2022 compared to year ended 2021:

For 2022, the Company's petroleum and natural gas sales increased 80% as compared to the prior year as a result of a 43% increase in the average realized commodity price, supported by the global commodity price recovery, combined with a 26% increase in production.

The Company's average realized light crude oil price increased 47%, which was consistent when compared to the 44% increase in the WTI benchmark.

Crew's average realized ngl price increased 114% in 2022 as compared to 2021, due to increases in the values of component pricing across North America combined with the Company's November 1, 2021 move to trucking larger portions of its ngl volumes to local Canadian markets at higher net pricing. The Company's average realized condensate price increased 45%, which was consistent with the 42% increase in the Condensate at Edmonton benchmark price as compared to the prior year.

The Company's average realized natural gas price increased 31% over 2021, which is consistent with the Company's natural gas sales portfolio weighted benchmark price increase of 29%.

Royalties

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Royalties	**18,424**	20,057	7,250	**59,537**	23,068
Per boe	**6.09**	6.86	2.70	**4.90**	2.39
Percentage of petroleum and natural gas sales	**13.5%**	15.1%	7.0%	**9.9%**	6.9%

For the fourth quarter of 2022, royalties per boe and as a percentage of petroleum and natural gas sales decreased as compared to the previous quarter due to the addition of production from new wells that attract lower royalty rates due to holiday incentives, partially offset by an increase in the average realized natural gas price that attracted higher sliding scale royalty rates. For the fourth quarter of 2022 and year ended December 31, 2022, royalties per boe and as a percentage of petroleum and natural gas sales increased over the same periods in 2021 due to increases in production and commodity prices. Over the course of the year, the royalty holiday incentive on several high production rated wells was fully utilized due to elevated commodity prices, resulting in higher royalty rates on these high revenue wells.

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 and comprehensive income:

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Realized loss on derivative financial instruments	**(17,300)**	(13,544)	(21,620)	**(85,910)**	(60,916)
Per boe	**(5.72)**	(4.63)	(8.06)	**(7.07)**	(6.31)
Unrealized gain (loss) on financial instruments	**48,831**	15,289	43,388	**43,016**	(24,098)

As at December 31, 2022, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas – AECO Daily Index:				
45,000 gj/day	January 1, 2023 - March 31, 2023	$5.26/gj	Swap	$ 2,094
12,500 gj/day	January 1, 2023 - December 31, 2023	$4.77/gj	Swap	5,034
35,000 gj/day	April 1, 2023 - June 30, 2023	$4.08/gj	Swap	2,663
7,500 gj/day	April 1, 2023 - October 31, 2023	$4.31/gj	Swap	1,950
35,000 gj/day	July 1, 2023 - September 30, 2023	$3.83/gj	Swap	2,862
35,000 gj/day	October 1, 2023 - December 31, 2023	$4.40/gj	Swap	2,373
Natural Gas – AECO Monthly Index:				
7,500 gj/day	January 1, 2023 - March 31, 2023	$5.95/gj	Swap	723
10,000 gj/day	January 1, 2023 - December 31, 2023	$4.00 - $5.18/gj	Collar(1)	2,469
7,500 gj/day	April 1, 2023 - June 30, 2023	$4.41/gj	Swap	723
7,500 gj/day	July 1, 2023 - September 30, 2023	$4.02/gj	Swap	723
7,500 gj/day	October 1, 2023 - December 31, 2023	$4.72/gj	Swap	723
CDN$ Edmonton C5 Blended Index:				
1,250 bbl/day	January 1, 2023 - June 30, 2023	$106.80/bbl	Swap	(354)
250 bbl/day	January 1, 2023 - December 31, 2023	$102.50/bbl	Swap	(82)
Total				**$ 21,901**

Note:
(1) The referenced contract is a costless collar whereby the Company receives $4.00/gj when the market price is below $4.00/gj, and receives $5.18/gj when the market price is above $5.18/gj.

As at December 31, 2022, the Company recorded a $4.7 million (December 31, 2021 – nil) derivative financial instrument asset related to a 5,000 gj/day natural gas physical sales contract priced off of the hourly Alberta Electric System Operator Pool Price. This contract expires on March 31, 2023.

Subsequent to December 31, 2022, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
Natural Gas – USD$ AECO Basis:			
2,500 mmbtu/day	April 1, 2023 - October 31, 2023	($1.25)/mmbtu	Swap
CDN$ Edmonton C5 Blended Index:			
750 bbl/day	July 1, 2023 - December 31, 2023	$99.50/bbl	Swap

Net Operating Costs(1)

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Operating costs	**11,115**	12,580	10,287	**47,759**	45,828
Processing revenue	**(616)**	(520)	(934)	**(3,441)**	(2,720)
Net operating costs(1)	**10,499**	12,060	9,353	**44,318**	43,108
Per boe(1)	**3.47**	4.12	3.49	**3.65**	4.47

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

During the fourth quarter of 2022 and year ended December 31, 2022, net operating costs per boe decreased as compared to the previous quarter and same periods in 2021, as a result of new production in West Septimus and Groundbirch, which yield lower incremental per unit operating costs, partially offset by effects from inflationary cost increases. This was coupled with the disposition of the heavy oil assets in the third quarter of 2021, where net operating costs per boe were higher than the corporate average.

Net Transportation Costs(1)

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Transportation costs	**10,701**	11,482	10,868	**45,120**	44,943
Transportation revenue	**(1,485)**	(1,485)	(1,421)	**(5,892)**	(5,638)
Net transportation costs(1)	**9,216**	9,997	9,447	**39,228**	39,305
Per boe(1)	**3.05**	3.42	3.52	**3.23**	4.07

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

For the fourth quarter of 2022 and year ended December 31, 2022, net transportation costs and net transportation costs per boe decreased when compared to the previous quarter and same periods in 2021, due to increased natural gas production that was transported on existing firm transportation service, eliminating unutilized demand charges, and the November 1, 2021 termination of 45 mmcf per day of firm natural gas transportation service. This decrease was partially offset by higher trucking charges for the Company's increased sale of ngl and condensate volumes. Transportation revenue is derived from the assignment of a portion of the Company's committed long-term natural gas transportation to a third party who manages the transportation and markets an equivalent volume of the Company's natural gas sales on Crew's behalf.

The 2021 comparative results have been recast to recognize a $5.6 million increase to transportation revenue and transportation expenses. The Company has also recast the 2022 and 2021 quarterly results to increase transportation revenue and transportation expenses per quarter by $1.5 million and $1.4 million, respectively.

Operating Netbacks[1]

($/boe)	Greater Septimus	Other NE BC	Three months ended December 31, 2022	Three months ended September 30, 2022	Three months ended December 31, 2021
Petroleum and natural gas sales	**45.65**	**37.29**	**45.25**	45.46	38.47
Royalties	**(6.07)**	**(6.41)**	**(6.09)**	(6.86)	(2.70)
Realized loss on derivative financial instruments	**(5.70)**	**(6.06)**	**(5.72)**	(4.63)	(8.06)
Net operating costs[1]	**(2.99)**	**(13.06)**	**(3.47)**	(4.12)	(3.49)
Net transportation costs[1]	**(2.92)**	**(5.53)**	**(3.05)**	(3.42)	(3.52)
Operating netbacks[1]	**27.97**	**6.23**	**26.92**	26.43	20.70
Production (boe/d)	**31,330**	**1,563**	**32,893**	31,792	29,142

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Operating netbacks for the fourth quarter of 2022 increased by 2% when compared to the third quarter of 2022, primarily as a result of lower net transportation costs, royalty costs, and net operating costs, partially offset by a higher realized loss on derivative financial instruments and slightly lower realized petroleum and natural gas sales.

Operating netbacks for the fourth quarter of 2022 increased 30% when compared to same period in 2021 as a result of higher petroleum and natural gas sales, lower net transportation, net operating costs and realized losses on derivative financial instruments, partially offset by an increase in royalties.

($/boe)	Greater Septimus	Other NE BC	Year ended December 31, 2022	Year ended December 31, 2021
Petroleum and natural gas sales	**49.90**	**39.07**	**49.28**	34.49
Royalties	**(4.85)**	**(5.76)**	**(4.90)**	(2.39)
Realized loss on derivative financial instruments	**(7.05)**	**(7.39)**	**(7.07)**	(6.31)
Net operating costs[1]	**(3.31)**	**(9.14)**	**(3.65)**	(4.47)
Net transportation costs[1]	**(3.07)**	**(5.94)**	**(3.23)**	(4.07)
Operating netbacks[1]	**31.62**	**10.84**	**30.43**	17.25
Production (boe/d)	**31,384**	**1,893**	**33,277**	26,443

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

For the year ended December 31, 2022, operating netbacks increased 76% as compared to the same period in 2021 due to significant increases in petroleum and natural gas sales combined with lower net operating costs and net transportation costs. These increases were partially offset by increased royalties and realized losses on derivative financial instruments.

General and Administrative Costs

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Gross costs	**5,203**	4,542	4,275	**18,703**	15,744
Operator's recoveries	**(25)**	(23)	(382)	**(105)**	(986)
Capitalized costs	**(1,634)**	(1,619)	(1,442)	**(6,637)**	(5,575)
General and administrative expenses	**3,544**	2,900	2,451	**11,961**	9,183
Per boe	**1.17**	0.99	0.91	**0.98**	0.95

Gross general and administrative ("G&A") costs increased in the fourth quarter of 2022 and year ended December 31, 2022 as compared to the previous quarter and same periods in 2021, due to an increase in staff compensation costs and inflationary pressure on other G&A costs. G&A per boe increased in the fourth quarter and year ended December 31, 2022 as compared to the same periods in 2021 as a result of the aforementioned increase in compensation costs, partially offset by an increase in production.

Share-Based Compensation

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Gross costs	**3,853**	3,814	1,088	**12,661**	4,855
Capitalized costs	**(1,915)**	(1,903)	(540)	**(6,345)**	(2,373)
Total share-based compensation	**1,938**	1,911	548	**6,316**	2,482

In the fourth quarter of 2022 and year ended December 31, 2022, the Company's total share-based compensation expense increased as compared to the previous quarter and same periods in 2021 as a result of higher annual grant values for awards granted in April 2022 as compared to 2021.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Depletion and depreciation	**25,167**	24,369	22,223	**99,786**	73,207
Per boe	**8.32**	8.33	8.29	**8.22**	7.58

Depletion and depreciation costs have increased overall as a result of the higher production in the fourth quarter and year ended December 31, 2022 as compared to the previous quarter and same periods in 2021. For the fourth quarter and year ended December 31, 2022, depletion and depreciation costs per boe increased when compared to the previous quarter and same periods in 2021 due to an increase in the capital cost base as a result of inflationary pressure on capital costs and the third quarter 2022 disposition of certain non-core assets at Attachie and Portage in northeast British Columbia, which yielded a lower depletion rate than the corporate average. In addition, depletion and depreciation costs per boe increased for the year ended December 31, 2022 as compared to the same period in 2021 due to an increase in the capital cost base as a result of the impairment reversal recorded in the third quarter of 2021.

At December 31, 2022, the Company did not identify any indicators of impairment, and therefore, an impairment test was not performed.

Finance Expenses

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Interest on bank loan and other	**4**	154	1,038	**2,321**	3,916
Interest on senior notes	**2,818**	4,607	4,915	**17,095**	19,500
Interest on lease obligations	**25**	26	26	**106**	105
Accretion of deferred financing charges	**149**	214	246	**854**	983
Accretion of the decommissioning obligation	**388**	341	264	**1,289**	1,376
Cost of redemption of 2024 Notes	**-**	1,941	-	**1,941**	-
Total finance expense	**3,384**	7,283	6,489	**23,606**	25,880
Average long-term debt level(1)	**172,088**	285,994	373,055	**297,001**	358,727
Average drawings on bank loan(1)	**88**	2,690	73,055	**33,472**	58,727
Average senior unsecured notes outstanding(1)	**172,000**	283,304	300,000	**263,529**	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	**6.5%**	6.5%	6.0%	**6.3%**	6.1%
Financing costs on debt per boe(2)	**0.98**	1.70	2.31	**1.67**	2.53

Notes:
(1) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.
(2) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

The Company's total finance expense decreased in the fourth quarter and year ended December 31, 2022 as compared to the previous quarter and same periods in 2021, due to the significant reduction in outstanding long-term debt over the past year as a result of the significant increase in Free AFF over the period and the $130 million non-core asset sale that facilitated the redemption of $128 million of 2024 Notes in the third quarter of 2022.

(Gain) loss on Divestitures of Property, Plants and Equipment

During the third quarter of 2022, the Company disposed of certain non-core assets at Attachie and Portage in northeast British Columbia for cash proceeds of $130.0 million and incurred $0.2 million of related transaction costs. The disposition consisted of petroleum and natural gas properties and undeveloped land with a net book value of $46.6 million and associated decommissioning obligations of $1.0 million, resulting in a gain of $84.2 million on closing of the disposition.

During the third quarter of 2021, the Company disposed of its Lloydminster heavy crude oil operations for cash proceeds of $10.7 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 $45.8 million and associated decommissioning obligations of $34.5 million, resulting in a loss of $3.1 million on closing of the disposition.

During the third quarter of 2021, the Company exchanged 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.

During the year ended 2021, the Company also disposed of various non-core petroleum and natural gas properties with a net book value of $2.7 million and associated decommissioning obligations of $1.7 million, resulting in a loss of $1.0 million.

Deferred Income Taxes

In the fourth quarter of 2022 and year ended December 31, 2022, the provision for deferred income tax was an expense of $25.0 million and $91.5 million, respectively, as compared to a deferred tax expense of $16.9 million and $50.0 million in the fourth quarter of 2021 and year ended December 31, 2021, respectively. The increase in deferred tax expense in the fourth quarter and year ended December 31, 2022 was due to higher net income in these periods as compared to the same periods in 2021, mainly due to the significant increase in petroleum and natural gas sales and the gain realized on the divestiture of property, plant and equipment.

A summary of the Company's estimated income tax pools is outlined below:

($ thousands)	**December 31, 2022**	December 31, 2021
Cumulative Canadian Exploration Expense	**271,300**	267,200
Cumulative Canadian Development Expense	**271,900**	275,000
Undepreciated Capital Cost	**106,400**	192,500
Non-capital losses	**252,800**	414,500
Other	**22,700**	17,700
	925,100	1,166,900

Cash Provided by Operating Activities, Adjusted Funds Flow and Net Income

($ thousands, except per share amounts)		**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Cash provided by operating activities		**62,570**	82,322	45,747	**317,337**	119,156
Adjusted funds flow		**74,994**	69,417	46,833	**337,345**	132,869
Per share[(1)]	-basic	**0.49**	0.46	0.31	**2.21**	0.87
	-diluted	**0.46**	0.43	0.29	**2.08**	0.82
Net income		**71,383**	105,658	50,901	**264,359**	205,299
Per share	-basic	**0.47**	0.69	0.33	**1.73**	1.34
	-diluted	**0.44**	0.65	0.31	**1.63**	1.27

Note:
(1) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Cash provided by operating activities and adjusted funds flow increased in both the fourth quarter and year ended December 31, 2022 as compared to the same periods in 2021, predominantly due to higher petroleum and natural gas sales. Net income in the third quarter of 2022 and year ended December 31, 2022 were impacted by the $84.2 million gain on disposition of non-core, non-producing assets, whereas net income in the same period in 2021 was impacted by a $228.5 million impairment reversal.

Capital Expenditures, Property Acquisitions and Dispositions

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Land	**386**	428	503	**1,470**	2,674
Seismic	**(1,034)**	133	96	**(577)**	492
Drilling and completions	**52,031**	39,677	34,112	**140,804**	132,729
Facilities, equipment and pipelines	**7,543**	11,643	6,169	**28,028**	36,156
Other	**1,713**	1,679	1,461	**6,896**	5,873
Total property, plant and equipment expenditures	**60,639**	53,560	42,341	**176,621**	177,924
Net property dispositions[(1)]	**(7)**	(129,780)	(460)	**(129,787)**	(8,276)
Net capital expenditures[(1)]	**60,632**	(76,220)	41,881	**46,834**	169,648

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial measures" contained within this MD&A.

In the fourth quarter of 2022, the Company spent a total of $60.6 million on property, plant and equipment expenditures. The majority of this amount was spent on the continued development of the Company's Montney assets. During the quarter, $52.0 million was spent on drilling and completion activities, $7.5 million on facilities, equipment and pipelines and $1.1 million on land, seismic and other miscellaneous amounts. The Company drilled seven (7.0 net) wells, including one liquids-rich natural gas well in West Septimus and six light crude oil wells in Tower, and completed five (5.0 net) natural gas wells in West Septimus.

In 2022, Crew drilled a total of 17 (17.0 net) wells and completed 16 (16.0 net) wells. The Company's spending focus in 2022 was on drilling and completions activity in the West Septimus, Groundbirch and Tower areas.

During the third quarter of 2022, the Company disposed of certain non-core assets at Attachie and Portage in northeast British Columbia for cash proceeds of $130.0 million, less customary closing adjustments.

GUIDANCE

The following table sets forth Crew's guidance and underlying material assumptions for 2022 and 2023 and a comparative review of the 2022 actual results to guidance:

	2022 guidance and assumptions(1)	2022 actuals	Previous 2023 guidance and assumptions(1)	Revised 2023 guidance and assumptions(1)
Property, plant and equipment expenditures ($Millions)	175–185	177	230–250	190–210
Net capital expenditures(2) ($Millions)	45–55	47	230–250	190–210
Annual average production (boe/d)	32,500–33,000	33,277	30,000–32,000	30,000–32,000
Adjusted funds flow ($Millions)	300–320	337	300–320	240–260
Free adjusted funds flow(2) ($Millions)	160–190	161	50–90	30–70
EBITDA(2) ($Millions)	324–344	360	310–330	250–270
Oil price (WTI)($US per bbl)	$93.00	$94.15	$80.00	$75.00
Natural gas price (NYMEX) ($US per mmbtu)	$6.15	$6.64	$5.00	$3.20
Natural gas price (AECO 5A) ($C per mcf)	$5.45	$5.32	$4.25	$2.85
Natural gas price (Crew est. wellhead) ($C per mcf)	$6.25	$6.32	$5.25	$3.30
Foreign exchange ($US/$CAD)	$0.78	$0.77	$0.75	$0.74
Royalties	8–9%	10%	9–11%	9–11%
Net operating costs(2) ($ per boe)	$3.50–$4.00	$3.65	$4.50–$5.00	$4.50–$5.00
Net transportation costs(2) ($ per boe)	$3.00–$3.50	$3.23	$3.50–$4.00	$3.50–$4.00
G&A ($ per boe)	$0.80–$1.00	$0.98	$1.00–$1.20	$1.00–$1.20
Effective interest rate on long-term debt	6.0–6.5%	6.0%	6.5–7.5%	6.5–7.5%

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 or ratio 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 or ratios for other entities. See "Non-IFRS Measures" contained within this MD&A.

Crew's 2022 actual results for net capital expenditures, net operating costs, net transportation costs, G&A and effective interest rates on long-term debt were within the guidance range. The Company's 2022 actual production finished above guidance as a result of the outperformance of new wells that were completed and brought on production in the second half of the year. The higher than forecasted production along with higher commodity prices resulted in the 2022 actual results outperforming estimates for AFF, Free AFF and EBITDA.

As a result of unseasonably warmer temperatures across parts of North America and Europe through the latter part of 2022 and into 2023, a natural gas supply/demand imbalance has occurred, leading to a sharp price decline for both spot and future natural gas prices. Given this significant decline in natural gas prices, the Company is adjusting its original 2023 budget and associated guidance initially released in early December 2022, as it maintains an unwavering commitment to balance sheet strength, capital discipline and long-term shareholder value creation. This updated guidance includes updated pricing assumptions and a reduction in forecasted net capital expenditures, AFF, Free AFF and EBITDA.

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. Continued volatility in global markets could impact the available lending limit of the Facility (as defined below), adjusted funds flow and cash and cash equivalents. 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 $54.7 million in cash and cash equivalents and nil drawings on the Company's $200 million Facility, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations and settle the remaining senior unsecured notes at or prior to their maturity in 2024. The Company has the ability to settle the remaining $172 million of unsecured notes prior to their maturity in March 2024 with up to $125 million of proceeds available from the Facility combined with cash and cash equivalents that is currently available or will be generated from future adjusted funds flow in excess of cash used in investing activities. The Company will continue to monitor its liquidity position 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)	**December 31, 2022**	December 31, 2021
Cash and cash equivalents	**54,737**	-
Accounts receivable	**62,900**	41,861
Accounts payable and accrued liabilities	**(95,793)**	(74,929)
Working capital surplus (deficiency)	**21,844**	(33,068)

($ thousands)	**December 31, 2022**	December 31, 2021
Bank loan	**-**	(75,067)
Senior unsecured notes	**(171,298)**	(297,834)
Working capital surplus (deficiency)	**21,844**	(33,068)
Net debt	**(149,454)**	(405,969)

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 December 31, 2022, the Company has a working capital surplus of $21.8 million, with nil drawings on its $200 million Facility described below.

Bank Loan

As at December 31, 2022, the Company's bank facility consists of a revolving line of credit of $170 million and an operating line of credit of $30 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 2, 2023. 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 provides the ability to repay up to $125 million, reduced by any outstanding drawings on the Facility, of the Company's outstanding senior unsecured notes by drawing on the Facility prior to May 1, 2023. If the Company elects to repay any of the unsecured notes by drawing from the Facility, the Company will be required to meet a pro-forma secured Debt to EBITDA ratio at the time of draw of less than 1.2:1.0, must maintain a minimum of $65 million of unused borrowing capacity after the draw and until the completion of the Facility's next review on or before May 15, 2023 and comply with other conditions which have been met. As the Borrowing Base of the Facility is based on the Company's reserves and future commodity prices and costs, 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 May 15, 2023. 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.

On September 19, 2022, following the disposition of certain non-core assets in northeast British Columbia, the Company redeemed and extinguished $128 million of principal amount of the 2024 Notes at a redemption price of $1,010.40 per $1,000 of principal amount, plus accrued and unpaid interest. Costs associated with the redemption totaled $1.9 million consisting of a redemption premium of $1.3 million and unamortized deferred financing costs of $0.6 million that were expensed in financing costs as a result of the redemption.

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

Year[(1)]	Percentage
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 December 31, 2022, the carrying value of the 2024 Notes was net of deferred financing costs of $0.7 million (December 31, 2021 – $2.2 million).

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. The Company intends to settle the remaining $172 million of unsecured notes prior to their maturity in March 2024 with up to $125 million of proceeds available from the Facility, combined with cash and cash equivalents that is currently available or will be generated from future AFF or other sources of capital, including the issuance of new debt.

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at March 8, 2023, there were 156,684,620 common shares of the Company issued and outstanding, which includes 3,027,912 common shares held in trust for the potential future settlement of awards granted under the Company's Restricted and Performance Award Incentive Plan. In addition, there were 3,028,834 restricted awards and 4,302,676 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 year ended December 31, 2022, the trustee purchased 4,050,000 common shares for a total cost of $18.9 million and as at December 31, 2022, the trustee holds 2,308,000 common shares 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 year ended December 31, 2022.

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)	2023	2024	2025	2026	2027	Thereafter
Senior unsecured notes (note 1)	-	172,000[(2)]	-	-	-	-
Lease obligations	696	696	696	232	-	354
Firm transportation agreements	35,736	36,379	38,697	40,097	33,671	95,646
Firm processing agreement	18,718	18,752	18,718	18,718	10,425	77,409
Total	**55,150**	**227,827**	**58,111**	**59,047**	**44,096**	**173,409**

Notes:

(1) Matures on March 14, 2024.

(2) The Company has the ability to settle the remaining $172 million of unsecured notes prior to their maturity in March 2024 with up to $125 million of proceeds available from the Facility combined with cash and cash equivalents that is currently available or will be generated from future adjusted funds flow in excess of cash used in investing activities.

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

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

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

ADDITIONAL DISCLOSURES

Risks and Uncertainties

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

a) Volatility in the Oil and Natural Gas Industry

The volatility of the oil and natural gas industry may affect petroleum and natural gas sales, 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, aggression by Russia towards Ukraine and other neighboring nations and the actions, including sanctions, taken by NATO nations against this aggression, actions or inaction taken by the Organization of the OPEC+ nations, announcements by Saudi Arabia to adjust 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 significant variability 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 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. 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 and 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 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.

b) Impact of the COVID-19 Pandemic

The emergence of the COVID-19 pandemic resulted in emergency actions by governments worldwide, and has impacted Crew’s past 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 re-emerges, 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 as the recovery continues. As a result, the Company’s business, financial and operational conditions, AFF, EBITDA, 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.

c) Indigenous Land and Rights Claims

Opposition by Indigenous groups to the conduct of Crew's operations, development, or exploratory activities may negatively impact Crew.

Opposition by Indigenous groups to the conduct of our operations, development, or exploratory activities in any of the jurisdictions in which Crew conducts business may negatively impact it in terms of public perception, diversion of management’s time and resources, legal and other advisory expenses, and could adversely impact the Company’s progress and ability to explore and develop properties.

Some Indigenous groups have established or asserted Indigenous treaty, title, and rights to portions of Canada. There are outstanding Indigenous and treaty rights claims, which may include Indigenous title claims, on lands where Crew operates, and such claims, if successful, could have a material adverse impact on its operations or pace of growth. No certainty exists that any lands currently unaffected by claims brought by Indigenous groups will remain unaffected by future claims.

The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of ongoing litigation. The fulfillment of the duty to consult Indigenous people and any associated accommodations may adversely affect the Company's ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals. For example, regulatory authorities in British Columbia ceased granting approvals, and, in some cases, revoked existing approvals, for, among other things crude oil and natural gas activities relating to drilling, completions, testing, production, and transportation infrastructure following a British Columbia Supreme Court decision that the cumulative impacts of government-sanctioned industrial development on the traditional territories of an Indigenous group in northeast British Columbia breached that group's treaty rights. Following that decision, the Government of British Columbia signed an implementation agreement with that Indigenous group to address cumulative effects of development on that group's claim area through restoration work, establishment of areas protected from industrial development, and a constraint on development activities. These measures, which are expected to form the basis of similar arrangements with other Indigenous groups in British Columbia, are expected to remain in place while a long- term cumulative effects management regime is implemented. The long-term impacts of, and associated risks with, the court decision and arrangements with Indigenous groups to address the cumulative effects of development on claimed lands on the Canadian crude oil and natural gas industry and Crew remain uncertain.

In addition, the federal government has introduced legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP"). Other Canadian jurisdictions, including British Columbia, have also introduced or passed similar legislation, or begun considering the principles and objectives of UNDRIP, or may do so in the future. The means and timelines associated with UNDRIP's implementation by government is uncertain; additional processes may be created or legislation amended or introduced associated with project development and operations, further increasing uncertainty with respect to project regulatory approval timelines and requirements.

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 recent 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 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 recent pandemic or future pandemics.

e) Commodity Price Volatility

Volatile oil, ngl and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and dispositions, 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, asset transactions and development and exploitation projects. As a result, Crew may enter into physical or financial agreements to receive fixed prices on its crude oil and liquids and natural gas production intended to mitigate the effect of commodity price volatility and to support Crew's capital budgeting and expenditure plans. However, to the extent that Crew engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, Crew's risk management arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the contracted volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the arrangement;
- counterparties to the arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts crude oil and liquids and natural gas prices.

On the other hand, failure to protect against a decline in commodity prices exposes Crew to reduced liquidity when prices decline. A sustained lower commodity price environment would result in lower realized prices for unprotected volumes and reduce the prices at which Crew would enter into derivative contracts on future volumes. This could make such transactions unattractive, and, as a result, some or all of Crew's production volumes forecasted for 2023 and beyond may not be protected by derivative arrangements.

Similarly, from time to time, Crew may enter into agreements to fix the exchange rate of Canadian to US dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, Crew will not benefit from the fluctuating exchange rates.

f) Inflation Risk

The general rate of inflation in Canada and many other countries saw a significant increase during 2022 and continuing into 2023, with some regions experiencing multi-decade highs. These increases reflect imbalances between supply and demand recoveries from the pandemic. The underlying factors include, but are not limited to, global supply chain disruptions, shipping bottlenecks, labor market constraints, geopolitical instability, and side effects from monetary and fiscal expansions. The global economic recovery remains uncertain. Prices for services and materials continue to evolve in response to fast-changing commodity markets, industry activities, supply chain dynamics, and government policies impacting operating and capital costs. The Company closely monitors market trends and works to mitigate cost impacts in all price environments through its economies of scale in procurement, efficient project management practices, and general productivity improvements. The global economic recovery and rising inflationary trends are widely expected to result in rising interest rates. The ongoing invasion of Ukraine is another factor that could influence inflation or other parts of the Canadian and global economy. Since March 2, 2022, the Bank of Canada has begun to raise its benchmark interest rates for the first time since 2018. Further interest rate increases are possible over the next twelve months.

g) Changing Regulation

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters. The cost to comply with these standards, and others that may be developed or evolve over time, is not quantifiable at this time.

Changes to royalty regimes may also negatively impact the Company's cash flows. There can be no assurance that the governments in the jurisdictions in which the Company has assets will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Company's projects. An increase in royalties would reduce the Company's earnings and could make future capital investments, or the Company's operations, less economic.

h) Climate Change

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil, NGL and natural gas. The majority of countries across the globe, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In addition, during the course of the 2021 United Nations Climate Change Conference in Glasgow, Scotland, Canada's Prime Minister Justin Trudeau made several pledges aimed at reducing Canada's GHG emissions and environmental impact. As discussed below, the Company faces both transition risks and physical risks associated with climate change and climate change policy and regulations.

i) Gathering and Processing Facilities, Pipeline Systems, Trucking and Rail

Lack of capacity and/or regulatory constraints on gathering and processing facilities, pipeline systems and railway lines may have a negative impact on the Company's ability to produce and sell its oil, ngl and natural gas.

The Company delivers its products through gathering and processing facilities, pipeline systems and, in certain circumstances, by truck and rail. The amount of oil, ngl and natural gas that the Company can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems, trucking and railway lines. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect the Company's production, operations and financial results.

A portion of the Company's production may, from time to time, be processed through facilities owned by third parties and over which the Company does not have control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a material adverse effect on the Company's ability to process its production and deliver the same to market. Midstream and pipeline companies may take actions to maximize their return on investment, which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of particular shippers.

j) Information Technology Systems and Cyber-Security

Crew has become increasingly dependent upon the availability, capacity, reliability, and security of our information technology infrastructure and our ability to expand and continually update this infrastructure to conduct daily operations. Crew depends on various information technology systems to estimate reserve quantities, process and record financial data, manage the Company's land base, manage financial resources, analyze seismic information, administer contracts with operators and lessees, and communicate with employees and third-party partners.

Further, Crew is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to business activities, or Crew's competitive position. In addition, cyber-phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, credit card and banking details, or approval of wire transfer requests by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years.

If Crew becomes a victim to a cyber-phishing attack it could result in a loss or theft of the Company's financial resources or critical data and information or could result in a loss of control of Crew's technological infrastructure or financial resources. The Company's employees are often the targets of such cyber-phishing attacks, as they are and will continue to be targeted by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to Crew's computers. These emails appear to be legitimate emails, but direct recipients to fake websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

Crew maintains policies and procedures that address and implement employee protocols with respect to electronic communications and electronic devices and conducts regular cyber-security risk assessments and training and education programs for its employees. Despite the Company's efforts to mitigate such cyber-phishing attacks through education and training, cyber-phishing activities remain a serious problem that may damage its information technology infrastructure. The Company applies technical and process controls in line with industry-accepted standards to protect its information, assets and systems, including a incident response plan for responding to a cyber- security incident. However, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on the Company's performance and earnings, as well as its reputation, and any damages sustained may not be adequately covered by Crew's current insurance coverage, or at all. The significance of any such event is difficult to quantify but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition, and results of operations.

Historical Analysis

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

($ thousands, except per share amounts)	**Dec. 31 2022**	Sep. 30 2022	June 30 2022	Mar. 31 2022	Dec. 31 2021	Sep. 30 2021	June 30 2021	Mar. 31 2021
Total daily production (boe/d)	**32,893**	31,792	35,044	33,399	29,142	23,659	26,712	26,258
Property, plant and equipment expenditures	**60,639**	53,560	7,061	55,361	42,341	64,295	21,198	50,090
Net property dispositions[(1)]	**(7)**	(129,780)	-	-	(460)	(7,816)	-	-
Average realized commodity price ($/boe)	**45.25**	45.46	62.16	43.39	38.47	34.75	28.20	36.19
Petroleum and natural gas sales	**136,948**	132,950	198,239	130,432	103,153	75,628	68,550	85,517
Cash provided by operating activities	**62,570**	82,322	117,363	55,082	45,747	18,072	24,890	30,447
Adjusted funds flow	**74,994**	69,417	115,274	77,660	46,833	26,511	25,530	33,995
Per share[(2)] – basic	**0.49**	0.46	0.76	0.51	0.31	0.17	0.17	0.23
– diluted	**0.46**	0.43	0.71	0.48	0.29	0.17	0.16	0.22
Net income (loss)	**71,383**	105,658	88,695	(1,377)	50,901	176,183	(23,138)	1,353
Per share – basic	**0.47**	0.69	0.58	(0.01)	0.33	1.14	(0.15)	0.01
– diluted	**0.44**	0.65	0.55	(0.01)	0.31	1.12	(0.15)	0.01

Notes:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS Measures" contained within this MD&A.
(2) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Towards the end of 2020, in conjunction with the recovery of oil and gas prices, Crew developed a strategic two-year development plan to enhance long-term sustainability and create meaningful value. The strategic plan included increased capital expenditures beginning in the fourth quarter of 2020, continuing through 2021 and 2022, in order to increase production, improve net backs and improve the Company's overall sustainability. The successful execution of this plan combined with increased commodity prices has significantly increased production, petroleum and natural gas sales, cash provided by operating activities, AFF and net income over the last eight quarters.

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 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.

In the third quarter of 2022, non-core assets at Attachie and Portage in northeast British Columbia were disposed of for cash proceeds of $130.0 million, resulting in a gain on disposition of $84.2 million. In connection with this disposition, the Company redeemed $128 million of senior unsecured notes on September 19, 2022. This disposition has improved the overall cost of debt, strengthened the balance sheet and helped position the Company for long-term sustainability.

Significant volatility in commodity prices has historically impacted cash provided by operating activities, adjusted funds flow and net income (loss) 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 quarterly income due to unrealized gains and losses recognized on the derivative contracts.

The following table summarizes Crew's key financial results over the past three years:

($ thousands, except per share amounts)	**Year ended Dec. 31, 2022**	Year ended Dec. 31, 2021	Year ended Dec. 31, 2020
Petroleum and natural gas sales	**598,569**	332,848	137,931
Cash provided by operating activities	**317,337**	119,156	37,989
Adjusted funds flow	**337,345**	132,869	41,150
Per share[(1)] -basic	**2.21**	0.87	0.27
-diluted	**2.08**	0.82	0.27
Net income (loss)	**264,359**	205,299	(203,180)
Per share -basic	**1.73**	1.34	(1.34)
-diluted	**1.63**	1.27	(1.34)
Daily production (boe/d)	**33,277**	26,443	21,955
Average realized commodity price ($/boe)	**49.28**	34.49	17.17
Total assets	**1,630,599**	1,490,658	1,189,566
Working capital surplus (deficiency)	**21,844**	(33,068)	(24,361)
Bank loan	**-**	75,067	35,994
Senior unsecured notes	**171,298**	297,834	296,851
Total other long-term liabilities	**173,728**	105,597	95,992

Note:
(1) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A

Over the last three years, a volatile commodity price environment has had a significant impact on petroleum and natural gas sales, cash provided by operating activities, adjusted funds flow and net income (loss). The recovery of oil and natural gas prices in the second half of 2020, after an extended period of poor fundamentals for oil and gas pricing and the initial impact of COVID-19, provided Crew with the opportunity to strategically increase capital spending to grow production and improve the Company's sustainability. The increased production combined with a continued strengthening of oil and gas prices has had a positive impact on petroleum and natural gas sales, cash provided by operating activity, adjusted funds flow and net income in 2022 and 2021. The strength of the Company's 2022 AFF resulted in Free AFF[(1)] of $161 million. This amount combined with a $130 million asset disposition in the third quarter of 2022 facilitated the repayment of the Company's outstanding Facility and a portion of the Company's senior unsecured notes.

The significant decline in forecasted future commodity prices that occurred in early 2020 due to COVID-19 and other market dynamics led to the assessment and realization of impairment charges on the Company's CGUs in 2020. The subsequent recovery in oil and gas prices in the second half of 2020 carrying into 2021 led to the reversal of the impairment charges in 2021. During 2022, the Company did not identify any indicators of impairment, and therefore an impairment test was not performed and no impairment was recorded.

Note:
(1) Non-IFRS measure or ratio 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 or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Application of Critical Accounting Estimates

Crew's significant accounting policies are disclosed in note 4 of the December 31, 2022 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, as defined in national Instrument 52-109 Certification of Disclosures in Issuers' Annual and Interim Filings ("NI 52-109"), 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. Such officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures at the financial year end of the Company and have concluded that the Company's disclosure controls and procedures are effective at the financial year end of the Company.

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting, as defined in NI 52-109, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Utilizing the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework (2013), such officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal controls over financial reporting at the financial year end of the Company and concluded that the Company's internal controls over financial reporting are effective, at the financial year end of the Company. 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 October 1, 2022 and ended on December 31, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No material changes in the Company's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

ADVISORIES

Conversions

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

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

Non-IFRS and Other Financial Measures

Throughout this MD&A and other materials disclosed by the Company, Crew uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Crew's performance. Management believes that the presentation of these non-IFRS and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Crew's business performance against prior periods on a comparable basis.

Capital Management Measures

a) Funds from Operations and Adjusted Funds Flow

Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital, accretion of deferred financing costs and transaction costs on property dispositions. Adjusted funds flow represents funds from operations before decommissioning obligations settled (recovered). The Company considers these metrics as key measures that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. Management believes that such measures provide an insightful assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges, actual settlements of decommissioning obligations and transaction costs on property dispositions, the timing of which is discretionary. Funds from operations and adjusted funds flow should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Crew's determination of funds from operations and adjusted funds flow may not be comparable to that reported by other companies. Crew also presents adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of income per share.

b) Net debt and Working Capital (Surplus) Deficiency

Crew closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of its capital structure. The Company uses net debt (bank debt plus working capital deficiency or surplus, excluding the current portion of the fair value of financial instruments) as an alternative measure of outstanding debt. Management considers net debt and working capital deficiency (surplus) an important measure to assist in assessing the liquidity of the Company.

Non-IFRS Measures and Ratios

a) Net property (dispositions) acquisitions

Net property acquisitions (dispositions) equals property acquisitions less property dispositions and transaction costs on property dispositions. Crew uses net property acquisitions (dispositions) to measure its total capital investment compared to the Company's annual capital budgeted expenditures. The most directly comparable IFRS measures to net property acquisitions (dispositions) are property acquisitions and property dispositions.

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Property acquisitions	**-**	-	-	**-**	-
Property dispositions	**(7)**	(129,983)	(460)	**(129,990)**	(10,781)
Transaction costs on property dispositions	**-**	203	-	**203**	2,505
Net property dispositions	**(7)**	(129,780)	(460)	**(129,787)**	(8,276)

b) Net capital expenditures

Net capital expenditures equals exploration and development expenditures less net property acquisitions (dispositions). Crew uses net capital expenditures to measure its total capital investment compared to the Company's annual capital budgeted expenditures. The most directly comparable IFRS measure to net capital expenditures is property, plant and equipment expenditures.

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Property, plant and equipment expenditures	**60,639**	53,560	42,341	**176,621**	177,924
Less: net property dispositions	**(7)**	(129,780)	(460)	**(129,787)**	(8,276)
Net capital expenditures	**60,632**	(76,220)	41,881	**46,834**	169,648

c) EBITDA

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

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Cash provided by operating activities	**62,570**	82,322	45,747	**317,337**	119,156
Change in operating non-cash working capital	**7,565**	(16,243)	(668)	**8,331**	8,844
Accretion of deferred financing costs	**(149)**	(214)	(246)	**(854)**	(983)
Transaction costs on property dispositions	**-**	203	-	**203**	2,505
Funds from operations	**69,986**	66,068	44,833	**325,017**	129,522
Decommissioning obligations settled excluding government grants	**5,008**	3,349	2,000	**12,328**	3,347
Adjusted funds flow	**74,994**	69,417	46,833	**337,345**	132,869
Interest	**2,971**	6,916	6,199	**22,211**	24,399
EBITDA	**77,965**	76,333	53,032	**359,556**	157,268

d) Free adjusted funds flow

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

($ thousands)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Cash provided by operating activities	**62,570**	82,322	45,747	**317,337**	119,156
Change in operating non-cash working capital	**7,565**	(16,243)	(668)	**8,331**	8,844
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Funds from operations	**69,986**	66,068	44,833	**325,017**	129,522
Decommissioning obligations settled excluding government grants	**5,008**	3,349	2,000	**12,328**	3,347
Adjusted funds flow	**74,994**	69,417	46,833	**337,345**	132,869
Less: property, plant and equipment expenditures	**60,639**	53,560	42,341	**176,621**	177,924
Free adjusted funds flow	**14,355**	15,857	4,492	**160,724**	(45,055)

e) Net operating costs

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

f) Net operating costs per boe

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

g) Net transportation costs

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

h) Net transportation costs per boe

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

i) Operating netback per boe

Operating netback per boe equals petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments, marketing income, less royalties, net operating costs and net transportation costs calculated on a boe basis. Management considers operating netback per boe an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's operating netbacks per boe can be seen in the section entitled "Operating Netbacks" of this MD&A.

j) Cash costs per boe

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

($/boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Net operating costs	**3.47**	4.12	3.49	**3.65**	4.47
Net transportation costs	**3.05**	3.42	3.52	**3.23**	4.07
General and administrative expenses	**1.17**	0.99	0.91	**0.98**	0.95
Financing costs on debt	**0.98**	1.70	2.31	**1.67**	2.53
Cash costs	**8.67**	10.23	10.23	**9.53**	12.02

k) Financing costs on debt per boe

Financing costs on debt per boe is comprised of the sum of interest on bank loan and other, interest on senior notes and accretion of deferred financing charges, divided by production. Management views financing costs on debt per boe as an important measure to evaluate its cost of debt financing.

($ thousands, except per boe)	**Three months ended December 31, 2022**	Three months ended September 30, 2022	Three months ended December 31, 2021	**Year ended December 31, 2022**	Year ended December 31, 2021
Interest on bank loan and other	**4**	154	1,038	**2,321**	3,916
Interest on senior notes	**2,818**	4,607	4,915	**17,095**	19,500
Accretion of deferred financing charges	**149**	214	246	**854**	983
Financing costs on debt	**2,971**	4,975	6,199	**20,270**	24,399
Production (boe/d)	**32,893**	31,792	29,142	**33,277**	26,443
Financing costs on debt per boe	**0.98**	1.70	2.31	**1.67**	2.53

Supplementary Measures

"Adjusted funds flow per basic share" is comprised of adjusted funds flow divided by the basic weighted average common shares.

"Adjusted funds flow per diluted share" is comprised of adjusted funds flow divided by the diluted weighted average common shares.

"Average realized commodity price" is comprised of commodity sales from production, as determined in accordance with IFRS, divided by the Company's production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized light crude oil price" is comprised of light crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's light crude oil production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized heavy crude oil price" is comprised of heavy crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's heavy crude oil production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized ngl price" is comprised of ngl commodity sales from production, as determined in accordance with IFRS, divided by the Company's ngl production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized condensate price" is comprised of condensate commodity sales from production, as determined in accordance with IFRS, divided by the Company's condensate production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average realized natural gas price" is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production. Average prices are before deduction of net transportation costs and do not include gains and losses on financial instruments.

"Average drawings on bank loan" is calculated as the average daily bank loan balance for the selected period.

"Average senior unsecured notes outstanding" is calculated as the average daily senior unsecured notes outstanding balance for the selected period.

"Average long-term debt level" is comprised of the sum of the average drawings on bank loan and average senior unsecured notes outstanding.

"Adjusted funds flow per boe" is comprised of adjusted funds flow divided by total production.

"Net debt to annualized quarterly EBITDA" is calculated as net debt at a point in time divided by the annualized quarterly EBITDA.

"Net debt to last twelve months ("LTM") EBITDA" is calculated as net debt at a point in time divided by EBITDA earned from that point back for the trailing twelve months.

Forward Looking Statements

This MD&A 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", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward looking information and statements pertaining to the following: Crew's 2023 annual guidance , underlying assumptions and associated information contained under the heading "Guidance" herein; future plans and operations, including 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 plans and construction timelines; the Company's capital management objectives and planned 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 net transportation costs, expected royalty rates, expected interest rates and other financing charges, debt levels and targeted debt levels, expected funds from operations; the timing of and impact of implementing accounting policies, expectations in regards to the Company's credit facilities and planned redemption of its senior unsecured notes and timing thereof; the potential for further asset divestures and the anticipated impact of potential future transactions; and similar statements.

The forward looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements 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: risks and uncertainties associated with oil and gas exploration, development, exploitation, production, marketing and transportation, changes in commodity prices, inflation, changes in the demand for or supply of Crew's products, public health crises and any related actions taken by governments and businesses, potential regulatory and industry changes stemming from the results of court actions affecting regions in which Crew holds assets, risks and uncertainties related to operations on indigenous lands, suspension of or changes to capital plans and guidance and the associated impact to forecast metrics including production and funds flow, changes to government regulations including royalty rates, taxes and environmental and climate change regulation, market access constraints or transportation interruptions, unanticipated operating results or production declines, changes in development plans, increased debt levels or debt service requirements, inaccurate estimation of Crew's reserve volumes and associated values, limited, unfavourable or a lack of access to capital markets, increased costs, a lack of adequate insurance coverage and certain other risks detailed in Crew's public disclosure documents. Readers should also carefully consider the risks discussed in the section "Risks and Uncertainties" in this MD&A.

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: that Crew will continue to conduct its operations in a manner consistent with past operations; the general stability of the economic and political environment in which Crew operates; that future business, regulatory and industry conditions will be within the parameters expected by Crew including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability and cost of labour and interest, exchange and effect of tax rates, assumptions with respect to global economic conditions and the accuracy of Crew's market outlook, expectations for 2023 and beyond, the general continuance of current industry conditions, the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; 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 development plans; Crew's ability to obtain financing on acceptable terms; changes in the Company's banking facility; field production rates and decline rates; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; currency exchange and interest rates; the regulatory framework regarding royalties, taxes, environmental and indigenous matters in the jurisdictions in which the Company operates; and that regulatory authorities in BC will resume and continue, as the case may be, granting approvals for oil and gas activities on time frames, and on terms and conditions, consistent with past practices. 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 2023 capital expenditure plans, budgets and associated guidance and corporate outlook for 2023 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 2023 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 2023 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2023 guidance and outlook may not be appropriate for other purposes.

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 March 8, 2023

MANAGEMENT'S REPORT

Management, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), has prepared the accompanying consolidated financial statements of Crew Energy Inc. ("Crew" or the "Company"). Financial and operating information presented throughout this report is consistent with that shown in the consolidated financial statements.

Management is responsible for the integrity of the financial information. Internal control systems are designed and maintained to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

KPMG LLP were appointed by the Company's Board of Directors to conduct an audit of the consolidated financial statements. Their examination included a review and evaluation, including tests and procedures, of Crew's internal control systems as they considered necessary, to provide reasonable assurance that the consolidated financial statements are presented fairly in accordance with IFRS as issued by the IASB.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises this responsibility through the Audit Committee, with assistance from the Reserves Committee regarding the annual evaluation of our oil and gas reserves. The Audit Committee meets regularly with management and the independent auditors to ensure that management's responsibilities are properly discharged, to review the consolidated financial statements and recommend that the consolidated financial statements be presented to the Board of Directors for approval. The Audit Committee also considers the independence of the external auditors and reviews their fees. The external auditors have access to the Audit Committee without the presence of management.

(signed)	*(signed)*
Dale O. Shwed	John G. Leach
President and Chief Executive Officer	Executive Vice-President and Chief Financial Officer

March 8, 2023

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Crew Energy Inc.

Opinion

We have audited the consolidated financial statements of Crew Energy Inc. (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2022 and December 31, 2021
- the consolidated statements of income and comprehensive income for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

Hereinafter referred to as the "financial statements".

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of the impact of estimated proved and probable oil and gas reserves on property, plant and equipment ("PP&E")

Description of the matter

We draw attention to note 4 and note 7 to the financial statements. The Company uses estimated proved and probable oil and gas reserves to deplete its development and production assets included in PP&E, to assess for indicators of impairment or impairment reversal on the Company's cash generating unit ("CGU") and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of the CGU. The Company has $1,487.3 million of PP&E as at December 31, 2022. The Company depletes its net carrying value of development and production assets using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable oil and gas reserves, taking into account estimated forecasted future development costs necessary to bring those reserves into production and excludes salvage value and undeveloped land related to future development acreage with no associated proved and probable oil and gas reserves. Depletion and depreciation expense on development and production assets was $99.4 million for the year ended December 31, 2022.

The estimate of proved and probable oil and gas reserves requires the expertise of independent third party reserve evaluators and includes significant assumptions related to:

- Forecasted oil and gas commodity prices
- Forecasted production
- Forecasted operating costs
- Forecasted royalty costs
- Forecasted future development costs.

The Company engages independent third party reserve evaluators to estimate the proved and probable oil and gas reserves.

Why the matter is a key audit matter

We identified the assessment of the impact of estimated proved and probable oil and gas reserves on PP&E as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures regarding the estimate of proved and probable oil and gas reserves.

KPMG

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

We assessed the depletion and depreciation expense calculation for compliance with IFRS as issued by the IASB.

With respect to the estimate of proved and probable oil and gas reserves:

- We evaluated the competence, capabilities and objectivity of the independent third party reserve evaluators engaged by the Company
- We compared forecasted oil and gas commodity prices to those published by other independent third party reserve evaluators
- We compared the 2022 actual production, operating costs, royalty costs and development costs of the Company to those estimates used in the prior year's estimate of proved oil and gas reserves to assess the Company's ability to accurately forecast
- We evaluated the appropriateness of forecasted production and forecasted operating costs, royalty costs and future development costs assumptions by comparing to 2022 historical results. We took into account changes in conditions and events affecting the Company to assess the adjustments or lack of adjustments made by the Company in arriving at the assumptions.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2022 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2022 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditors' report is Gregory Ronald Caldwell.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
March 8, 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(thousands)		**December 31, 2022**		December 31, 2021
Assets				
Current Assets:				
Cash and cash equivalents	**$**	**54,737**	$	-
Accounts receivable		**62,900**		41,861
Derivative financial instruments (note 6)		**26,601**		-
		144,238		41,861
Derivative financial instruments (note 6)		**-**		275
Property, plant and equipment (note 7)		**1,487,276**		1,448,522
		1,487,276		1,448,797
	$	**1,631,514**	$	1,490,658
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities	**$**	**95,793**	$	74,929
Derivative financial instruments (note 6)		**-**		16,690
Decommissioning obligations (note 12)		**4,325**		1,386
		100,118		93,005
Bank loan (note 9)		**-**		75,067
Senior unsecured notes (note 10)		**171,298**		297,834
Lease obligations (note 11)		**1,899**		2,620
Decommissioning obligations (note 12)		**43,257**		56,828
Deferred tax liability (note 13)		**128,801**		46,150
		345,255		478,499
Shareholders' Equity				
Share capital (note 14)		**1,467,213**		1,481,450
Contributed surplus		**88,730**		71,865
Deficit		**(369,802)**		(634,161)
		1,186,141		919,154
Subsequent event (note 6)				
Commitments (note 15)				
	$	**1,631,514**	$	1,490,658

See accompanying notes to the consolidated financial statements.

On behalf of the Board of Directors:

(signed)

Ryan A. Shay

Director

(signed)

Gail A. Hannon

Director

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(thousands, except per share amounts)	**Year ended December 31, 2022**	Year ended December 31, 2021
Revenue		
Petroleum and natural gas sales (note 16)	**$ 598,569**	$ 332,848
Royalties	**(59,537)**	(23,068)
Realized loss on derivative financial instruments	**(85,910)**	(60,916)
Unrealized gain (loss) on derivative financial instruments	**43,016**	(24,098)
Processing and transportation revenue	**9,333**	8,358
	505,471	233,124
Expenses		
Operating	**47,759**	45,828
Transportation	**45,120**	44,943
General and administrative	**11,961**	9,183
Share-based compensation	**6,316**	2,482
Depletion and depreciation (note 7)	**99,786**	73,207
	210,942	175,643
Income from operations	**294,529**	57,481
Financing (note 17)	**23,606**	25,880
Reversal of impairment on property, plant and equipment (note 8)	**-**	(228,549)
(Gain) loss on divestiture of property, plant and equipment (note 7)	**(84,214)**	6,318
Other income	**(740)**	(1,497)
Income before income taxes	**355,877**	255,329
Deferred income tax expense (note 13)	**91,518**	50,030
Net income and comprehensive income	**$ 264,359**	$ 205,299
Net income per share (note 14)		
Basic	**$ 1.73**	$ 1.34
Diluted	**$ 1.63**	$ 1.27

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance January 1, 2022	152,480	$1,481,450	$ 71,865	$ (634,161)	$ 919,154
Net income for the year	-	-	-	264,359	264,359
Share-based compensation expensed	-	-	6,316	-	6,316
Share-based compensation capitalized	-	-	6,345	-	6,345
Issued from treasury on vesting of share awards	62	115	(115)	-	-
Released from trust on vesting of share awards	5,885	4,548	(4,548)	-	-
Purchase of shares held in trust (note 14)	(4,050)	(18,900)	-	-	(18,900)
Tax deduction on excess value of share awards	-	-	8,867	-	8,867
Balance, December 31, 2022	**154,377**	**$1,467,213**	**$ 88,730**	**$ (369,802)**	**$1,186,141**

(thousands)	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 year	-	-	-	205,299	205,299
Share-based compensation expensed	-	-	2,482	-	2,482
Share-based compensation capitalized	-	-	2,373	-	2,373
Issued from treasury on vesting of share awards	174	324	(324)	-	-
Released from trust on vesting of share awards	5,845	6,598	(6,598)	-	-
Purchase of shares held in trust (note 14)	(4,721)	(8,397)	-	-	(8,397)
Tax deduction on excess value of share awards	-	-	3,880	-	3,880
Balance, December 31, 2021	**152,480**	**$1,481,450**	**$ 71,865**	**$ (634,161)**	**$ 919,154**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands)	Year ended December 31, 2022	Year ended December 31, 2021
Cash provided by (used in):		
Operating activities:		
Net income	**$ 264,359**	$ 205,299
Adjustments:		
Unrealized (gain) loss on derivative financial instruments	**(43,016)**	24,098
Share-based compensation	**6,316**	2,482
Depletion and depreciation (note 7)	**99,786**	73,207
Financing expenses (note 17)	**23,606**	25,880
Interest expense (note 17)	**(19,416)**	(23,416)
Reversal of impairment on property, plant and equipment (note 8)	**-**	(228,549)
(Gain) loss on divestiture of property, plant and equipment (note 7)	**(84,214)**	6,318
Transaction costs on property dispositions (note 7)	**(203)**	(2,505)
Deferred income tax expense (note 13)	**91,518**	50,030
Decommissioning obligations settled (note 12)	**(13,068)**	(4,844)
Change in non-cash working capital (note 19)	**(8,331)**	(8,844)
	317,337	119,156
Financing activities:		
(Decrease) increase in bank loan	**(75,067)**	39,073
Redemption of senior notes (note 10)	**(129,331)**	-
Payments on lease obligations (note 11)	**(347)**	-
Shares purchased and held in trust (note 14)	**(18,900)**	(8,397)
	(223,645)	30,676
Investing activities:		
Property, plant and equipment expenditures (note 7)	**(176,621)**	(177,924)
Property dispositions (note 7)	**129,990**	10,781
Change in non-cash working capital (note 19)	**7,676**	17,311
	(38,955)	(149,832)
Change in cash and cash equivalents	**54,737**	-
Cash and cash equivalents, beginning of year	**-**	-
Cash and cash equivalents, end of year	**$ 54,737**	$ -

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

(Tabular amounts in thousands)

1. Reporting entity:

Crew Energy Inc. ("Crew" or the "Company") is an oil and gas exploration, development and production company based in Calgary, Alberta, Canada. Crew conducts its operations in the Western Canada Sedimentary basin, focused in the province of British Columbia. The 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. Effective May 31, 2022, Crew Oil and Gas Inc., Crew Energy Partnership and Crew Heavy Oil Partnership were dissolved, and all assets and liabilities were transferred to Crew Energy Inc. at net book value with no gain or loss. 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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). A summary of the significant accounting policies and method of computation is presented in note 4.

The financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value. The methods used to measure fair values are discussed in note 5.

These financial statements are presented in Canadian dollars ("CDN"), which is the functional currency of the Company, its subsidiary and partnerships.

Expenses in the consolidated statements of income (loss) ("statements of income") are presented as a combination of function and nature in conformity with industry practice. Share-based compensation and depletion and depreciation expenses are presented on separate lines by their nature, while operating, transportation, marketing and general and administrative expenses are presented on a functional basis.

The financial statements were authorized for issuance by Crew's Board of Directors on March 8, 2023.

3. Estimation uncertainty:

Management makes judgments and assumptions about the future in deriving estimates used in preparation of these financial statements in accordance with IFRS. Sources of estimation uncertainty include estimates used to determine economically recoverable oil, natural gas, and natural gas liquids reserves, the recoverable amount of long-lived assets or cash-generating unit, the fair value of financial derivatives, the provision for decommissioning obligations and the provision for income taxes and the related deferred tax assets and liabilities.

During the year ended December 31, 2022, demand for oil and natural gas continued to increase as the global economy continued to recover from the novel strain of the coronavirus ("COVID-19") pandemic. Energy prices strengthened to multi-year highs due to elevated uncertainty of global oil and natural gas supply after Russia's invasion of Ukraine, in addition to restricted oil and gas investment globally. While the Company has benefited from the improvement in commodity prices, there is a degree of uncertainty related to geopolitical events and COVID-19 that have been considered in our estimates as at and for the year ended December 31, 2022.

A full list of the key sources of estimation uncertainty can be found in note 4 of these financial statements.

4. Significant accounting policies:

(a) Basis of consolidation:

(i) Subsidiaries:

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, substantive potential voting rights are taken into account. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. The acquisition method of accounting is used to account for acquisitions of subsidiaries and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in the statements of income.

(ii) Jointly owned assets:

Some of the Company's oil and natural gas activities involve jointly owned assets. The financial statements include the Company's share of these jointly owned assets and its proportionate share of the relevant revenue and related costs.

(iii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the financial statements.

(b) Foreign currency:

Transactions in foreign currencies are translated to Canadian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in the statements of income.

(c) Financial instruments:

(i) Non-derivative financial instruments:

Non-derivative financial instruments are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, the bank loan and the senior unsecured notes. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through the statements of income, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents are comprised of cash on hand, term deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management, whereby management has the ability and intent to net bank overdrafts against cash, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Other non-derivative financial instruments, such as accounts receivable, the bank loan, the senior unsecured notes and accounts payable and accrued liabilities, are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments:

The Company enters into certain financial derivative contracts to manage the exposure to market risks from fluctuations in commodity prices, interest rates and the exchange rate between Canadian and United States dollars. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Company considers all financial derivative contracts to be economic hedges. As a result, all financial derivative contracts are classified at fair value through the statements of income and are recorded on the statement of financial position at fair value. Transaction costs are recognized in the statements of income when incurred.

(iii) Embedded Derivative:

Embedded derivatives are separated from the host contract and accounted for as a derivative when a separate item with the same terms would meet the definition of a derivative, the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract and the combined instrument is not measured at fair value with changes recognized in statements of income.

(iv) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares and restricted and performance awards are recognized as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment and intangible exploration assets:

(i) Recognition and measurement:

Exploration and evaluation ("E&E") expenditures:

Pre-license costs are recognized in the statements of income as incurred.

E&E costs, including the costs of acquiring leases and licenses initially are capitalized as E&E assets. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

E&E assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, E&E assets are allocated to the related CGU.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved and/or probable oil and gas reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proved and/or probable oil and gas reserves have been discovered. Upon determination of proved and/or probable oil and gas reserves, intangible E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to a separate category within tangible assets referred to as oil and natural gas interests.

Development and production costs:

Items of property, plant and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Property, plant and equipment is grouped into CGUs for impairment testing. When significant parts of an item of property, plant and equipment, including oil and natural gas interests, have different useful lives they are accounted for as separate items (major components).

Gains and losses on disposal of property, plant and equipment, property swaps and farm-outs, are determined by comparing the proceeds or fair value of the asset received or given up with the carrying amount of property, plant and equipment and are recognized in the statements of income.

(ii) Subsequent costs:

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statements of income as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing on or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statements of income as operating costs as incurred.

(iii) Depletion and depreciation:

The Company depletes its net carrying value of development and production assets using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable oil and gas reserves, taking into account estimated forecasted future development costs necessary to bring those reserves into production and excludes salvage value and undeveloped land related to future development acreage with no associated proved and probable oil and gas reserves. Relative volumes of reserves and production are converted at the energy equivalent conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. Forecasted future development costs are estimated taking into account the level of development required to produce the reserves. The Company engages independent third-party reserve evaluators to estimate the proved and probable oil and gas reserves.

Certain turnaround and workover costs are depreciated straight line over 2 years and office equipment is depreciated straight line over 5 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(iv) Assets held for sale:

Non-current assets, or disposal groups consisting of assets and liabilities, are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable and the asset is available for immediate sale in its present condition.

Non-current assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell, with impairments recognized in the statements of income in the period measured. Non-current assets and disposal groups held for sale are presented in current assets and liabilities on the statement of financial position.

(e) Leased assets:

When Crew is party to a lease arrangement as the lessee, it recognizes a right-of-use asset ("ROU asset") and a corresponding lease obligation on the balance sheets on the date that a leased asset becomes available for use. Interest associated with the lease obligation is recognized over the lease period with a corresponding increase to the underlying lease obligation. ROU assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Depreciation on ROU assets is recognized in depletion and depreciation. ROU assets and lease obligations are initially measured on a present value basis. Lease obligations are measured as the net present value of the lease payments which may include: fixed lease payments, variable lease payments based on an index or a rate, and amounts expected to be payable under residual value guarantees and payments to exercise an extension or termination option, if Crew is reasonably certain to exercise either of those options. ROU assets are measured at cost, which is composed of the amount of the initial measurement of the lease obligation, less any incentives received, plus any lease payments made at, or before, the commencement date and initial direct costs and asset restoration costs, if any. The rate implicit in the lease is used to determine the present value of the liability and ROU asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

In cases where the leased asset is used in the Company's jointly controlled operations, Crew, as the operator, is the obligor to the lessor and presents the full amount of the lease obligation and ROU asset at the commencement date of the lease. Certain payments relating to the Company's lease obligation may be recovered over time in accordance with billings for each partner's proportionate interest in the joint operation and are recognized in other income.

Short-term leases and leases of low-value assets are not recognized on the statement of financial position and lease payments are instead recognized in the financial statements as incurred. For certain classes of leases, Crew does not separate lease and non-lease components, accounting for these leases as a single lease component.

(f) Impairment:

(i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired by measuring the asset's expected credit loss ("ECL"). Accounts receivable are due within one year or less; therefore, these financial assets are not considered to have a significant financing component and a lifetime ECL is measured at the date of initial recognition of the accounts receivable.

The ECL pertaining to accounts receivable is assessed at initial recognition and this provision is re-assessed at each reporting date. ECLs are a probability-weighted estimate of all possible default events related to the financial asset (over the lifetime or within 12 months after the reporting period, as applicable) and are measured as the difference between the present value of the cash flows due to Crew and the cash flows the Company expects to receive. In making an assessment as to whether financial assets are credit-impaired, the Company considers historically realized bad debts, evidence of a debtor's present financial condition and whether a debtor has breached certain contracts, the probability that a debtor will enter bankruptcy or other financial reorganization, changes in economic conditions that correlate to increased levels of default, the number of days a debtor is past due in making a contractual payment, and the term to maturity of the specified receivable. The carrying amounts of financial assets are reduced by the amount of the ECL through an allowance account and losses are recognized in the statements of income.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the statements of income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there are any internal or external indicators of impairment or impairment reversal. If any such indicator exists, then the recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets or CGUs. The estimated recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

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 estimated recoverable amount involves significant estimates including the estimate of proved and probable oil and gas reserves and the related cash flows, the discount rates and the sales value of the undeveloped lands. The estimate of proved and probable oil and gas reserves and the related cash flows is sensitive to the significant assumptions regarding forecasted oil and gas commodity prices, forecasted production, forecasted operating costs, forecasted royalty costs and forecasted future development costs.

In assessing the value in use, the estimated future cash flows from proved and probable oil and gas reserves are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The forecasted oil and gas commodity prices used in the impairment test are based on period-end forecasted oil and gas commodity prices estimated by the Company's independent third-party reserve evaluators. The Company also estimates the sales value of undeveloped lands which is based on relevant industry sales value data.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statements of income.

An impairment loss in respect of property, plant and equipment, recognized in prior years, is assessed at each reporting date for any internal or external indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(g) Share based payments:

The grant date fair value of restricted and performance awards granted to employees and other service providers is recognized as compensation expense, with a corresponding increase in contributed surplus over the vesting period. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of restricted and performance awards that are expected to vest. A performance multiplier is estimated on the grant date for performance awards and adjusted to reflect the number of performance awards that are expected to vest.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Decommissioning obligations:

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value using a risk-free rate of interest and management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as a finance cost whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

(i) Revenue:

Revenue from the sale of crude oil, natural gas, condensate and natural gas liquids is recorded when control of the product is transferred to the buyer based on the consideration specified in the contracts with customers. This usually occurs when the product is physically transferred at the delivery point agreed upon in the contract and legal title to the product passes to the customer.

The Company evaluates its arrangements with third parties and partners to determine if the Company acts as the principal or as an agent. In making this evaluation, the Company considers if it obtains control of the product delivered or services provided, which is indicated by the Company having the primary responsibility for the delivery of the product or rendering of the service, having the ability to establish prices or having inventory risk. If the Company acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net-basis, only reflecting the fee, if any, realized by the Company from the transaction.

Tariffs, tolls and other fees charged to other entities for use of pipelines and facilities owned by the Company are evaluated by management to determine if these originate from contracts with customers or from incidental or collaborative arrangements. Fees charged to other entities that are from contracts with customers are recognized in revenue when the related services are provided.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

(j) Finance income and expenses:

Finance expense comprises interest expense on borrowings and leases, accretion of the discount on provisions, accretion of deferred financing costs, losses on redemption of senior notes, impairment losses recognized on financial assets and corporate acquisition costs.

Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. All other borrowing costs are recognized in the statements of income using the effective interest method. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Company's outstanding borrowings during the period.

Interest income is recognized as it accrues in the statements of income, using the effective interest method.

(k) Income tax:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statements of income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Earnings per share:

Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as restricted and performance awards granted to employees.

(m) Government grants:

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be met. If a grant is received but compliance with any attached condition is not achieved, the grant is recognized as a deferred liability until such conditions are fulfilled. When the grant relates to an income or expense item, it is recognized as income or a reduction of the related expense item in the period in which the income is earned or costs are incurred. Where the grant relates to an asset, it is recognized as a reduction to the net book value of the related asset and then subsequently in the statements of income over the expected useful life of the related asset through lower charges to impairment and/or depletion and depreciation.

(n) Critical accounting judgments and key sources of estimation uncertainty:

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below.

Critical judgments in applying accounting policies:

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

(i) Identification of CGUs

Crew's assets are aggregated into CGUs, for the purpose of calculating impairment, based on their ability to generate largely independent cash inflows. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company's assets in future periods. The Company has one CGU as of December 31, 2022.

(ii) Impairment of petroleum and natural gas assets

Judgments are required to assess when internal or external indicators of impairment or impairment reversal exist and impairment testing is required. Management considers internal and external sources of information including forecasted oil and gas commodity prices, forecasted production volumes, estimated recoverable quantities of proved and probable oil and gas reserves and rates used to discount the related future cash flow estimates. Judgement is required to assess these factors when determining if the carrying amount of an asset or CGU is impaired, or in the case of a previously impaired asset or CGU, whether the carrying amount of the asset or CGU has been restored.

(iii) Deferred income taxes

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in the statements of income in the period in which the change occurs.

(iv) Leased assets

The Company is required to make judgements and assumptions on incremental borrowing rates and lease terms. The carrying amount of the ROU assets, lease obligations, interest and depreciation expense may differ due to changes in market conditions and expected lease terms. Incremental borrowing rates are based on the Company's borrowing rate at the commencement date of the lease, the security of the asset and market conditions. Lease terms are based on management's assumptions of future market conditions and operational decisions.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities.

(i) Reserves

The Company uses estimated proved and probable oil and gas reserves to deplete its development and production assets included in property, plant and equipment, to assess for indicators of impairment or impairment reversal on the Company's cash generating unit ("CGU") and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of the CGU. Proved and probable oil and gas reserves and the related cash flows requires estimation and are subject to assumptions regarding forecasted production, forecasted oil and gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economical, geological and technical factors used to estimate proved and probable oil and gas reserves may change from period to period. Changes in reported proved and probable oil and gas reserves can impact the carrying values of the Company's property, plant and equipment, the calculation of depletion, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows. The estimated proved and probable oil and gas reserves and the related cash flows from the Company's property, plant and equipment are evaluated by independent third-party reserve evaluators at least annually. The Company's proved and probable oil and gas reserves represent the estimated quantities of oil, natural gas and natural gas liquids ("ngl") which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be economically recoverable in future years from known reservoirs and which are considered commercially producible. Such proved and probable oil and gas reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon (i) a reasonable assessment of the future economics of such production; (ii) a reasonable expectation that there is a market for all or substantially all the expected petroleum and natural gas production; and (iii) evidence that the necessary production, transmission and transportation facilities are available or can be made available. Reserves may only be considered proved and probable if producibility is supported by either production or conclusive formation tests. Crew's proved and probable oil and gas reserves are determined in accordance with the standards contained in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook.

The Company is also required to estimate the sales value of undeveloped lands, which is based on industry sales value data.

(ii) Decommissioning obligations

The Company estimates future remediation costs of production facilities, wells and pipelines at different stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

(iii) Business combinations

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of oil and gas properties based upon the estimated proved and probable oil and gas reserves and the related cash flows acquired.

(iv) Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value. The fair value of restricted and performance awards are valued based on the closing stock price at grant date. In assessing the fair value of equity-based compensation, estimates have to be made regarding the forfeiture rate and performance multiplier for performance awards.

(v) Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in the statements of income both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets, if any, are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

(vi) Financial instruments

The estimated fair value of financial instruments is reliant upon a number of estimated variables including forward curves for commodity prices, electricity rates, foreign exchange rates and interest rates, as well as volatility curves, and risk of non-performance. A change in any one of these factors could result in a change to the overall estimated valuation of the instrument. Additionally, estimates must be made with respect to impairment of financial assets and the provision of ECL recognized. In making an assessment as to whether financial assets are credit-impaired, the Company considers historically realized bad debts, any applicable public credit ratings, evidence of a debtor's present financial condition and whether a debtor has breached certain contracts, the probability that a debtor will, or has entered bankruptcy or other financial reorganization, changes in economic conditions that correlate to increased levels of default, the number of days a debtor is past due in making a contractual payment, and the term to maturity of the specified receivable.

(vii) Changing regulation

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters. The cost to comply with these standards and others that may be developed or evolve over time, are currently being evaluated and have not yet been quantified.

5. Determination of fair values:

Several of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment and exploration assets:

The fair value of property, plant and equipment recognized in an acquisition is based on market values. The market value of property, plant and equipment is the estimated amount for which property, plant and equipment could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of oil and natural gas interests (included in property, plant and equipment) and intangible exploration assets is estimated with reference to the discounted cash flows expected to be derived from proved and probable oil and gas reserves and the related cash flows estimated by the Company's independent third-party reserve evaluators. The risk-adjusted discount rate is specific to the asset with reference to general market conditions.

The market value of other items of property, plant and equipment is based on the quoted market prices for similar items.

(ii) Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bank loans and the senior unsecured notes:

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bank loans and the senior unsecured notes are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2022 and December 31, 2021, the fair value of accounts receivable and accounts payable and accrued liabilities approximated their carrying value due to their short term to maturity. Bank loans bear a floating rate of interest and the margins charged by the lenders are indicative of current credit spreads and therefore carrying value approximates fair value. The fair value of the senior unsecured notes fluctuates in response to changes in the market rates of interest payable on similar instruments. At December 31, 2022, the carrying value of the unsecured notes approximated their fair value.

(iii) Derivatives:

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 statement of financial position date, using the remaining contracted volumes and a credit adjusted interest rate. 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.

(iv) Restricted and performance awards:

The fair value of restricted and performance awards is measured at the grant date using the closing price of the common shares.

6. Financial risk management:

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:

- Credit risk;
- Market risk; and
- Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from partners within jointly owned assets and operations, oil and natural gas marketers and counterparties to cash and cash equivalents and derivative financial assets. The maximum exposure to credit risk at year-end is as follows:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	**$ 54,737**	$ -
Accounts receivable	**62,900**	41,861
Derivative financial assets	**26,601**	275
	$ 144,238	$ 42,136

Cash and cash equivalents:

The Company's cash and cash equivalents is made up entirely of cash, which is deposited in high yield saving accounts with financial institutions and are subject to counterparty credit risk. The Company mitigates this risk by only transacting with investment grade financial institutions with high credit ratings.

Accounts receivable:

Substantially all of the Company's petroleum and natural gas production is marketed under standard industry terms. Receivables from petroleum and natural gas marketers are normally collected on the 25th day of the month following production. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with large credit worthy purchasers and to sell through multiple purchasers. During 2022, the Company had three investment-grade customers that individually accounted for 10% or more of the Company's total revenues. The Company historically has not experienced any collection issues with its petroleum and natural gas marketers. Receivables from partners within jointly owned assets and operations are typically collected within one to three months of the bill being issued to the partner. The Company attempts to mitigate the risk from these receivables by obtaining partner approval of significant capital expenditures prior to the expenditure. However, the receivables are from participants in the petroleum and natural gas sector and collection of the outstanding balances can be impacted by industry factors such as commodity price fluctuations, limited capital availability and unsuccessful drilling programs. The Company does not typically obtain collateral from petroleum and natural gas marketers or joint asset partners;

however, the Company can cash call in advance of major projects and does have the ability, in some cases, to withhold production from joint asset partners in the event of non-payment.

Derivative financial assets:

Derivative financial assets can consist of commodity, interest rate and foreign exchange contracts used to manage the Company's exposure to fluctuations in commodity prices, interest rates and the exchange rate between United States and Canadian dollars. The Company manages the credit risk exposure related to derivative financial assets by selecting investment grade counterparties and by not entering into contracts for trading or speculative purposes.

The carrying amount of cash and cash equivalents, accounts receivable and derivative financial assets, when outstanding, represents the maximum credit exposure. As at December 31, 2022, the Company's receivables consisted of $58.5 million (December 31, 2021 - $39.2 million) of receivables from petroleum and natural gas marketers, of which all have been subsequently collected, $0.6 million (December 31, 2021 - $0.5 million) from partners with jointly owned assets and operations, none of which has been subsequently collected, and $3.8 million (December 31, 2021 - $2.2 million) of deposits, prepaids and other accounts receivable. The Company does not consider any of its receivables to be past due.

(b) Market risk:

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates, will affect the Company's cash flow, income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the Company's return.

The Company utilizes both financial derivatives and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Company's risk management policy that has been approved by the Board of Directors.

Foreign currency exchange rate risk:

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The majority of the Company's petroleum and natural gas sales are conducted in Canada and are denominated in Canadian dollars; however, Canadian commodity prices are influenced by fluctuations in the Canadian to U.S. dollar exchange rate.

Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its bank loan which bears a floating rate of interest. Average bank debt outstanding during the year ending December 31, 2022 was $33.5 million (December 31, 2021 - $58.7 million). For the year ended December 31, 2022, a 1.0 percent change to the effective interest rate would have had a $0.3 million impact on net income (December 31, 2021 - $0.5 million). The interest rate on the senior unsecured notes is fixed and is not subject to interest rate risk.

Commodity price risk:

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, but also regional, North American and global economic events that dictate the levels of crude oil, natural gas and natural gas liquids supply and demand. The Company mitigates a portion of the commodity price risk through the use of a diversified portfolio of market pricing points and the use of various financial derivative and physical delivery sales contracts as outlined below. The Company's policy is to only enter into commodity price contracts when considered appropriate to a maximum of 50% of forecasted gross production volumes for a period of not more than two years. Any contracts for volumes greater than 50% of forecasted gross production or extending beyond two years require approval from the Board of Directors.

Derivative assets and liabilities:

Derivatives are recorded on the statement of financial position at fair value at each reporting period with the change in fair value being recognized as an unrealized gain or loss on the statements of income.

The Company's derivatives are measured in accordance with a three level hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

(i) Level 1: fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices); and

(iii) Level 3: fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's derivative contracts are valued using Level 2 of the hierarchy.

At December 31, 2022, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas – AECO Daily Index:				
45,000 gj/day	January 1, 2023 - March 31, 2023	$5.26/gj	Swap	$ 2,094
12,500 gj/day	January 1, 2023 - December 31, 2023	$4.77/gj	Swap	5,034
35,000 gj/day	April 1, 2023 - June 30, 2023	$4.08/gj	Swap	2,663
7,500 gj/day	April 1, 2023 - October 31, 2023	$4.31/gj	Swap	1,950
35,000 gj/day	July 1, 2023 - September 30, 2023	$3.83/gj	Swap	2,862
35,000 gj/day	October 1, 2023 - December 31, 2023	$4.40/gj	Swap	2,373
Natural Gas – AECO Monthly Index:				
7,500 gj/day	January 1, 2023 - March 31, 2023	$5.95/gj	Swap	723
10,000 gj/day	January 1, 2023 - December 31, 2023	$4.00 - $5.18/gj	Collar[(1)]	2,469
7,500 gj/day	April 1, 2023 - June 30, 2023	$4.41/gj	Swap	723
7,500 gj/day	July 1, 2023 - September 30, 2023	$4.02/gj	Swap	723
7,500 gj/day	October 1, 2023 - December 31, 2023	$4.72/gj	Swap	723
CDN$ Edmonton C5 Blended Index:				
1,250 bbl/day	January 1, 2023 - June 30, 2023	$106.80/bbl	Swap	(354)
250 bbl/day	January 1, 2023 - December 31, 2023	$102.50/bbl	Swap	(82)
Total				**$ 21,901**

(1) The referenced contract is a costless collar whereby the Company receives $4.00/gj when the market price is below $4.00/gj, and receives $5.18/gj when the market price is above $5.18/gj.

As at December 31, 2022, a 10% change in future commodity prices applied against these contracts would have a $11.0 million (December 31, 2021 – $8.5 million) impact on net income.

As at December 31, 2022, the Company recorded a $4.7 million (December 31, 2021 – nil) derivative financial instrument asset related to a 5,000 gj/day natural gas physical sales contract priced off of the hourly Alberta Electric System Operator Pool Price. This contract expires on March 31, 2023.

Subsequent to December 31, 2022, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
Natural Gas – USD$ AECO Basis:			
2,500 mmbtu/day	April 1, 2023 - October 31, 2023	($1.25)/mmbtu	Swap
CDN$ Edmonton C5 Blended Index:			
750 bbl/day	July 1, 2023 - December 31, 2023	$99.50/bbl	Swap

(c) 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 and accrued liabilities, the bank loan and the senior unsecured notes and lease obligations. Accounts payable and accrued liabilities consists of invoices payable to trade suppliers for office, field operating activities and property, plant and equipment expenditures. The Company processes invoices within a normal payment period. Accounts payable and accrued liabilities and financial instruments have contractual maturities of less than one year. To meet these obligations, the Company maintains a revolving credit facility, as outlined in note 9, which is subject to annual renewal by the lenders and has a contractual maturity in 2024, if not extended. The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures. The Company does not pay dividends. In addition, the Company issued $300 million in senior unsecured notes in 2017, of which $172 million remain outstanding and are scheduled to mature in March 2024, as discussed in note 10.

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. Continued volatility in global markets could impact the available lending limit of the Facility, adjusted funds flow and cash and cash equivalents. 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 $54.7 million in cash and cash equivalents and nil drawings on the Company's $200 million Facility, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations and settle the remaining senior unsecured notes at or prior to their maturity in 2024. The Company has the ability to settle the remaining $172 million of unsecured notes prior to their maturity in March 2024 with up to $125 million of proceeds available from the Facility, subject to certain conditions as discussed in note 9, combined with cash and cash equivalents that is currently available or will be generated from adjusted funds flow. The Company will continue to monitor its liquidity position 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 outline Crew's calculation of net debt:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	**$ 54,737**	$ -
Accounts receivable	**62,900**	41,861
Accounts payable and accrued liabilities	**(95,793)**	(74,929)
Working capital surplus (deficiency)	**21,844**	(33,068)
Bank loan	**-**	(75,067)
Senior unsecured notes	**(171,298)**	(297,834)
Net debt	**$ (149,454)**	$ (405,969)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The bank loan is subject to a semi-annual review of its Borrowing Base, which is directly impacted by the value of the Company's oil and gas reserves and the senior unsecured notes have a maturity date in March 2024.

Funds from operations and adjusted funds flow:

To evaluate the Company's capital management, Crew uses funds from operations and adjusted funds flow benchmarks. 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 excluding government grants. 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.

	Year ended December 31, 2022	Year ended December 31, 2021
Cash provided by operating activities	**$ 317,337**	$ 119,156
Change in operating non-cash working capital	**8,331**	8,844
Accretion of deferred financing costs (note 17)	**(854)**	(983)
Transaction costs on property dispositions (note 7)	**203**	2,505
Funds from operations	**325,017**	129,522
Decommissioning obligations settled net of government grants (note 12)	**12,328**	3,347
Adjusted funds flow	**$ 337,345**	$ 132,869

7. Property, plant and equipment:

Cost	Total
Balance, January 1, 2021	$ 2,719,994
Additions	177,924
Acquisitions	1,400
Divestitures	(605,355)
Change in right-of-use assets	(59)
Change in decommissioning obligations	4,717
Capitalized share-based compensation	2,373
Balance, December 31, 2021	$ 2,300,994
Additions	176,621
Divestitures	(65,328)
Change in decommissioning obligations	2,100
Capitalized share-based compensation	6,345
Balance, December 31, 2022	**$ 2,420,732**

Accumulated depletion and depreciation	Total
Balance, January 1, 2021	$ 1,560,962
Depletion and depreciation expense	73,207
Divestitures	(553,148)
Impairment (note 8)	(228,549)
Balance, December 31, 2021	$ 852,472
Depletion and depreciation expense	99,786
Divestitures	(18,802)
Balance, December 31, 2022	**$ 933,456**

Net book value	Total
Balance, December 31, 2022	**$ 1,487,276**
Balance, December 31, 2021	$ 1,448,522

The calculation of depletion for the three months ended December 31, 2022 included estimated future development costs of $1,480.7 million (December 31, 2021 - $1,599.0 million) associated with the development of the Company's proved and probable oil and gas reserves and excludes salvage value of $42.4 million (December 31, 2021 - $41.3 million) and undeveloped land of $116.1 million (December 31, 2021 - $142.5 million) related to future development acreage, with no associated reserves. Depletion and depreciation expense on development and production assets was $99.4 million (December 31, 2021 - $72.8 million) for the year ended December 31, 2022.

Included in depletion and depreciation expense for the year ended December 31, 2022, is $0.4 million (December 31, 2021 - $0.4 million) related to the right-of-use assets for the Company's leases. As at December 31, 2022, the net book value of these right-of-use assets is $1.7 million (December 31, 2021 - $2.1 million).

During the third quarter of 2022, the Company disposed of certain non-core assets at Attachie and Portage in northeast British Columbia for cash proceeds of $130.0 million and incurred $0.2 million of related transaction costs. The disposition consisted of petroleum and natural gas properties and undeveloped land with a net book value of $46.6 million and associated decommissioning obligations of $1.0 million, resulting in a gain of $84.2 million on closing of the disposition.

During the third quarter of 2021, the Company disposed of its Lloydminster heavy crude oil operations for cash proceeds of $10.7 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 $45.8 million and associated decommissioning obligations of $34.5 million, resulting in a loss of $3.1 million on closing of the disposition.

During the year ended 2021, the Company exchanged 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.

Additionally in 2021, the Company disposed of various non-core petroleum and natural gas properties with a net book value of $2.7 million and associated decommissioning obligations of $1.7 million, resulting in a loss of $1.0 million.

8. Reversal of impairment on property, plant and equipment:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Reversal of impairment on property, plant and equipment	**$ -**	$ 228,549

2022 assessment:

At December 31, 2022, the Company did not identify any indicators of impairment, and therefore an impairment test was not performed.

2021 assessment:

At December 31, 2021, the Company did not identify any indicators of impairment, and therefore an impairment test was not performed.

The Company identified an indicator of impairment reversal at September 30, 2021 for the northeast British Columbia CGU and performed an impairment reversal test to estimate its recoverable amount. 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 indicator of impairment reversal existed as a result of increases in forecasted oil and gas commodity prices, along with an increase in the Company's market capitalization. The Company disposed of its Lloydminster CGU in the third quarter of 2021.

For the purpose of impairment testing, the recoverable amount of the northeast British Columbia CGU is the greater of its value in use and its fair value less costs to sell. Value in use was used by the Company and derived from proved and probable oil and gas reserves estimated by the Company's third-party reserve evaluators at December 31, 2020, and updated by the Company's internal reserve evaluators, including additional value determined for undeveloped lands. The Company used pre-tax discount rates between 10% and 20% dependent on the risk profile of the reserve category and determined a recoverable amount of $1,664.1 million. 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 forecasted oil and gas commodity prices were used in determining the estimated recoverable amount of the northeast British Columbia 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 assumptions 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.

9. Bank loan:

As at December 31, 2022, the Company's bank facility consists of a revolving line of credit of $170 million and an operating line of credit of $30 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 2, 2023. 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 provides the ability to repay up to $125 million, reduced by any outstanding drawings on the Facility, of the Company's outstanding senior unsecured notes by drawing on the Facility prior to May 1, 2023. If the Company elects to repay any of the unsecured notes by drawing from the Facility, the Company will be required to meet a pro-forma secured Debt to EBITDA ratio at the time of draw of less than 1.2:1.0, must maintain a minimum of $65 million of unused borrowing capacity after the draw and until the completion of the Facility's next review on or before May 15, 2023 and comply with other conditions which have been met. As the Borrowing Base of the Facility is based on the Company's reserves and future commodity prices and costs, 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 May 15, 2023. 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 December 31, 2022, the Company's applicable pricing included a 2.00 percent margin on prime lending, a 3.00 percent stamping fee and margin on bankers' acceptances and LIBOR loans along with a 0.75 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 December 31, 2022, the Company had issued letters of credit totaling $11.0 million (December 31, 2021 - $7.9 million).

10. 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.

On September 19, 2022, the Company redeemed and extinguished $128 million of principal amount of the 2024 Notes at a redemption price of $1,010.40 per $1,000 of principal amount, plus accrued and unpaid interest. Costs associated with the redemption totaled $1.9 million consisted of a redemption premium of $1.3 million and unamortized deferred financing costs of $0.6 million that were expensed in financing costs as a result of the redemption (Note 17).

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

Year(1)	Percentage
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 December 31, 2022, the carrying value of the 2024 Notes was net of deferred financing costs of $0.7 million (December 31, 2021 – $2.2 million).

11. Lease obligations:

	As at December 31, 2022	As at December 31, 2021
Less than 1 year	**$ 696**	$ 244
1 – 3 years	**1,392**	1,461
After 3 years	**587**	1,328
Total undiscounted future lease payments	**$ 2,675**	$ 3,033
Total undiscounted future interest payments	**(161)**	(278)
Present value of lease obligations	**$ 2,514**	$ 2,755
Current portion of lease obligations, included in accounts payable and accrued liabilities	**(615)**	(135)
Long-term portion of lease obligations	**$ 1,899**	$ 2,620

	Year ended December 31, 2022	Year ended December 31, 2021
Principal payments	**$ 241**	$ -
Interest payments	**106**	-
Total cash outflow	**$ 347**	$ -

The Company's total undiscounted future lease payments of $2.7 million (December 31, 2021 – $3.0 million) equate to future lease obligations. This amount excludes commitments for firm transportation and processing agreements, as disclosed in note 15, 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.

12. Decommissioning obligations:

	As at December 31, 2022	As at December 31, 2021
Decommissioning obligations, beginning of year	**$ 58,214**	$ 93,178
Obligations incurred	**1,185**	2,537
Obligations settled	**(13,068)**	(4,844)
Obligations divested	**(953)**	(36,213)
Change in estimated future cash outflows	**915**	2,180
Accretion of decommissioning obligations	**1,289**	1,376
Decommissioning obligations, end of year	**$ 47,582**	$ 58,214

		Year ended December 31, 2022		Year ended December 31, 2021
Current decommissioning obligations	**$**	**4,325**	$	1,386
Long-term decommissioning obligations		**43,257**		56,828
	$	**47,582**	$	58,214

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 $47.6 million as at December 31, 2022 (December 31, 2021 - $58.2 million) based on an inflation adjusted undiscounted total future liability of $105.2 million (December 31, 2021 - $92.2 million). These payments are expected to be made over the next 40 years with the majority of costs to be incurred between 2029 and 2060. The inflation rate applied to the liability is 2.1% (December 31, 2021 – 1.8%). The discount factor, being the risk-free rate related to the liability, is 3.3% (December 31, 2021 – 1.7%). The $8.4 million (December 31, 2021 - $0.4 million) change in estimated future cash outflows is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

During the year-end December 31, 2022 the Company received $0.7 million (December 31, 2021 - $1.5 million) of government grants earned for well site rehabilitation and recognized in Other Income.

13. Income taxes:

(a) Deferred income tax expense:

The deferred income tax expense in the financial statements differs from the result which would have been obtained by applying the combined federal and provincial income tax rate to the Company's income before income taxes. This difference results from the following items:

		Year ended December 31, 2022		Year ended December 31, 2021
Income before income taxes	**$**	**355,877**	$	255,329
Combined federal and provincial income tax rate		**25.00%**		24.80%
Computed "expected" income tax expense	**$**	**88,969**	$	63,322
Increase (decrease) in income taxes resulting from:				
Change in income tax rates		**456**		-
Non-deductible expenses and other		**2,324**		466
Change in share-based compensation estimate		**(231)**		(707)
Unrecognized deferred income tax asset		**-**		(13,051)
Deferred income tax expense	**$**	**91,518**	$	50,030

(b) Deferred income tax liability:

The components of the Company's deferred income tax liability are as follows:

	December 31, 2022	December 31, 2021
Deferred tax liabilities:		
Property, plant and equipment	**$ 193,672**	$ 162,440
Derivative financial instruments	**6,650**	-
Other	**3,577**	5,014
Deferred tax assets:		
Derivative financial instruments	**$ -**	$ (4,071)
Decommissioning obligations	**(11,895)**	(14,437)
Non-capital losses	**(63,203)**	(102,796)
Deferred income tax liability	**$ 128,801**	$ 46,150

The following tables provide a continuity of the deferred income tax liability:

	January 1, 2022	Recognized in equity	Recognized in other	Recognized in statements of income	December 31, 2022
Property, plant and equipment	$ 162,440	$ -	$ -	$ 31,232	$ 193,672
Decommissioning obligations	(14,438)	-	-	2,543	(11,895)
Derivative financial instruments	(4,071)	-	-	10,721	6,650
Non-capital losses	(102,796)	-	-	39,593	(63,203)
Other	5,015	(8,867)	-	7,429	3,577
	$ 46,150	**$ (8,867)**	**$ -**	**$ 91,518**	**$ 128,801**

	January 1, 2021	Recognized in equity	Recognized in other	Recognized in statements of income	December 31, 2021
Property, plant and equipment	$ 62,811	$ -	$ -	$ 99,629	$ 162,440
Decommissioning obligations	(23,109)	-	-	8,671	(14,438)
Derivative financial instruments	1,905	-	-	(5,976)	(4,071)
Non-capital losses	(49,752)	-	-	(53,044)	(102,796)
Other	8,145	(3,880)	-	750	5,015
	$ -	**$ (3,880)**	**$ -**	**$ 50,030**	**$ 46,150**

The Company's assets have an approximate tax basis of $925.1 million at December 31, 2022 (December 31, 2021 - $1,166.9 million) available for deduction against future taxable income. The following table summarizes the tax pools:

	December 31, 2022	December 31, 2021
Cumulative Canadian Exploration Expense	**$ 271,300**	$ 267,200
Cumulative Canadian Development Expense	**271,900**	275,000
Undepreciated Capital Costs	**106,400**	192,500
Non-capital losses	**252,800**	414,500
Other	**22,700**	17,700
Estimated tax basis	**$ 925,100**	$ 1,166,900

Non-capital losses will begin expiring in 2041.

14. Share capital:

At December 31, 2022, 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.

For RAs and PAs granted 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, following shareholder approval, eligible to settle the award value of such grants either in common shares issued from treasury, subject to the treasury share maximum provided in the RPAP, 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, from time to time, 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 year ended December 31, 2022, the trustee purchased 4,050,000 (December 31, 2021 – 4,721,000) common shares for a total cost of $18.9 million (December 31, 2021 – $8.4 million) and as at December 31, 2022 the trustee holds 2,308,000 (December 31, 2021 – 4,143,000) common shares in trust.

For the year ended December 31, 2022, upon the vesting and settlement of 1,825,000 (December 31, 2021 – 2,034,000) RAs and 2,182,000 (December 31, 2021 – 2,204,000) PAs, when taking into account the earned multipliers for PAs, 62,000 (December 31, 2021 – 174,000) common shares of the Company were issued from treasury, 5,885,000 (December 31, 2021 – 5,845,000) common shares were released from trust.

The weighted average fair value of awards granted during the year ended December 31, 2022 was $5.00 (December 31, 2021 – $1.08) per RA granted and $5.18 (December 31, 2021 – $1.06) per PA granted.

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	2,236	2,564
Vested	(2,034)	(2,204)
Forfeited	(288)	(219)
Balance December 31, 2021	3,660	4,576
Granted	1,250	1,956
Vested	(1,825)	(2,182)
Forfeited	(56)	(47)
Balance December 31, 2022	**3,029**	**4,303**

Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the year ended December 31, 2022 was 152,472,000 (December 31, 2021 – 153,012,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the year ended December 31, 2022, 9,566,000 (December 31, 2021 – 8,651,000) shares were added to the basic weighted average common shares outstanding to account for the dilution of RAs and PAs. There were nil (December 31, 2021 – 13,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive.

The volume weighted average trading price of the Company's common shares was $4.97 during the year ended December 31, 2022 (December 31, 2021 - $2.22).

15. Commitments:

	2023	2024	2025	2026	2027	Thereafter
Firm transportation agreements	$ 35,736	$ 36,379	$ 38,697	$ 40,097	$ 33,671	$ 95,646
Firm processing agreement	18,718	18,752	18,718	18,718	10,425	77,409
Total	**$ 54,454**	**$ 55,131**	**$ 57,415**	**$ 58,815**	**$ 44,096**	**$ 173,055**

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

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

16. 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 natural gas liquids ("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:

	Year ended December 31, 2022	Year ended December 31, 2021
Light crude oil	**$ 3,986**	$ 4,375
Heavy crude oil	**-**	17,388
Natural gas liquids	**45,464**	18,528
Condensate	**191,523**	77,738
Natural gas	**357,596**	214,819
	$ 598,569	$ 332,848

Processing and transportation revenue:

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

	Year ended December 31, 2022	Year ended December 31, 2021
Processing revenue	**$ 3,441**	$ 2,720
Transportation revenue	**5,892**	5,638
	$ 9,333	$ 8,358

In 2022, the Company recognized transportation revenue of $5.9 million with an offsetting amount of transportation expenses on contracted pipeline capacity novated to other third parties. The 2021 comparative results have been recast to recognize a $5.6 million increase to transportation revenue and transportation expenses. The Company has also recast the 2022 and 2021 quarterly results to increase transportation revenue and transportation expenses per quarter by $1.5 million and $1.4 million, respectively.

17. Financing:

	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense	**$ 19,416**	$ 23,416
Interest on lease obligations	**106**	105
Accretion of deferred financing costs	**854**	983
Accretion of decommissioning obligations	**1,289**	1,376
Cost of redemption of 2024 Notes	**1,941**	-
	$ 23,606	$ 25,880

18. Key personnel expenses:

The aggregate payroll expense of key personnel was as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Short-term benefits	**$ 5,382**	$ 4,460
Long-term benefits	**7,849**	3,001
	$ 13,231	$ 7,461

Crew has determined that its key personnel include both officers and the Company's Board of Directors. Short-term benefits are comprised of salaries and directors fees, annual bonuses and other benefits. Long-term benefits include share-based compensation expense from share awards under Crew's long-term incentive plans. Short-term employee benefits and share-based compensation include the capitalized and non-capitalized portion of these expenditures recorded in the financial statements during the respective periods.

19. Supplemental cash flow information:

Changes in non-cash working capital is comprised of:

	Year ended December 31, 2022	Year ended December 31, 2021
Changes in non-cash working capital:		
Accounts receivable	**$ (21,039)**	$ (19,726)
Accounts payable and accrued liabilities	**20,864**	28,433
	$ (175)	$ 8,707
Operating activities	**$ (8,331)**	$ (8,844)
Investing activities	**7,676**	17,311
Change in current portion of lease obligations, included in accounts payable and accrued liabilities	**480**	240
	$ (175)	$ 8,707
Interest paid	**$ (22,391)**	$ (23,424)

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, Planning & Development

Paul Dever
Vice President, Government & Stakeholder Relations

Kevin G. Evers, P. Geol.
Vice President, Geosciences

Mark Miller
Vice President, Land & Negotiations

Craig Turchak, CPA, CGA
Vice President, Finance and Controller

BOARD OF DIRECTORS

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Chairman, Independent Director

Karen Nielsen, ICD.D
Independent Director

Ryan Shay, CPA, CA
Independent Director

Gail Hannon
Independent Director

John Hooks
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)
mmboe 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