Interim Report

Q2 2020

Second Quarter ending June 30, 2020

Crew Energy Inc. (TSX: CR) ("Crew of the "Company) is pleased to announce our operating and financial results for the three and six month periods ended June 30, 2020.

Q2 2020 HIGHLIGHTS

- **Production Increased as Pricing Improved in June:** Q2 production averaged 22,074 boe per day, while first half 2020 volumes averaged 22,985 boe per day, in-line with the same period the prior year, as an average of approximately 2,100 boe per day was shut-in during Q2/20 for value preservation due to the unprecedented decline in commodity prices.

- **Adjusted Funds Flow Supported by Lower Costs ("AFF")[1]:** AFF totaled $4.6 million and $17.0 million ($0.03 and $0.11 per fully diluted share) in Q2/20 and first half 2020 ("H1/20"), respectively, indicative of weak global commodity prices stemming from the COVID-19 pandemic. Crew's AFF benefited from lower royalties, net operating costs and general and administrative ("G&A") costs, along with strong realized hedging gains in Q2/20 which helped partially offset the impact of challenging commodity prices.

- **Focus on Cost Reductions:** G&A costs per boe declined 45% and 34% in Q2/20 and H1/20 over the same periods of 2019, respectively, and averaged $0.76 per boe in Q2, while net operating costs per boe declined 5% and 7% compared to the same periods in 2019 and averaged $5.68 per boe in Q2, reflecting Crew's efforts to streamline administrative expenses and optimize field operations.

- **Strong Liquidity Profile:** Quarter end net debt[1] of $339.2 million gives Crew ample financial flexibility and includes $300 million of senior unsecured term debt due in 2024 with no financial maintenance covenants and a draw of 24% on the Company's $150 million bank facility which was extended to June 2021 and has a contractual maturity in 2022 if not extended further.

- **Modest Capital Expenditures:** Net capital expenditures[1] in Q2/20 totaled $5.4 million, $2.7 million of which was directed to drilling and completion activities including preparations for pad development at West Septimus that is planned for the second half of 2020.

- **Active Hedging Underpins Increased Activity**: With structural improvements in the forward curve for natural gas prices, Crew has hedged a meaningful portion of production through 2021, which further enhances the robust well economics and underpins support for the drilling of a seven-well pad planned at West Septimus.

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(1) Non-IFRS Measure. "adjusted funds flow", "net debt", and "net capital expenditures" do not have standardized measures prescribed by International Financial Reporting Standards ("IFRS"), and therefore may not be comparable with the calculations of similar measures for other companies. See "Information Regarding Disclosure on Oil and Gas Reserves, Operational Information and Non-IFRS Measures" within this report for details including reasons for use.

FINANCIAL & OPERATING HIGHLIGHTS:

FINANCIAL ($ thousands, except per share amounts)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Petroleum and natural gas sales	**24,889**	51,543	**62,983**	106,994
Adjusted Funds Flow (1)	**4,633**	22,513	**17,033**	48,284
Per share - basic	**0.03**	0.15	**0.11**	0.32
- diluted	**0.03**	0.15	**0.11**	0.32
Net (loss) income	**(24,803)**	15,375	**(216,712)**	21,561
Per share - basic	**(0.16)**	0.10	**(1.42)**	0.14
- diluted	**(0.16)**	0.10	**(1.42)**	0.14
Exploration and Development expenditures	**5,348**	13,997	**23,377**	69,238
Property acquisitions (net of dispositions)	**44**	(3,249)	**(34,896)**	(19,173)
Net capital expenditures	**5,392**	10,748	**(11,519)**	50,065

Capital Structure ($ thousands)	**As at June 30, 2020**	As at Dec. 31, 2019
Working capital deficiency (surplus) (2)	**7,380**	(149)
Bank loan	**35,466**	52,136
	42,846	51,987
Senior Unsecured Notes	**296,360**	295,868
Total Net Debt (3)	**339,206**	347,855
Common Shares Outstanding (thousands)	**153,081**	151,534

Notes:

(1) Non-IFRS Measure. AFF is calculated as cash provided by operating activities, adding the change in non-cash working capital, decommissioning obligation expenditures and accretion of deferred financing costs on the senior unsecured notes. AFF does not have a standardized measure prescribed by International Financial Reporting Standards, ("IFRS") and therefore may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within Crew's MD&A for details including a reconciliation of AFF to its most closely related IFRS measure.

(2) Non-IFRS Measure. Working capital deficiency and surplus includes accounts receivable and net assets held for sale; less accounts payable and accrued liabilities. See "Non-IFRS Measures" contained within Crew's MD&A.

(3) Non-IFRS Measure. Net debt is defined as outstanding long-term debt and net working capital. See "Non-IFRS Measures" within the Company's MD&A.

Operations	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Daily production				
Light crude oil (bbl/d)	**191**	155	**203**	190
Heavy crude oil (bbl/d)	**1,175**	1,722	**1,351**	1,666
Natural gas liquids ("ngl")(1) (bbl/d)	**2,147**	2,049	**2,218**	2,031
Condensate (bbl/d)	**2,634**	3,127	**2,987**	2,873
Natural gas (mcf/d)	**95,564**	94,873	**97,354**	97,692
Total (boe/d @ 6:1)	**22,074**	22,865	**22,985**	23,042
Average prices (2)				
Light crude oil ($/bbl)	**24.04**	66.15	**35.05**	63.14
Heavy crude oil ($/bbl)	**18.08**	60.00	**19.20**	52.44
Natural gas liquids ($/bbl)	**7.74**	7.50	**6.26**	9.17
Condensate ($/bbl)	**23.69**	68.96	**41.10**	65.88
Natural gas ($/mcf)	**1.76**	2.34	**1.81**	2.91
Oil equivalent ($/boe)	**12.39**	24.77	**15.06**	25.65

Notes:

(1) Throughout this report, natural gas liquids ("ngl") comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately.

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

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Netback ($/boe)				
Petroleum and natural gas sales	**12.39**	24.77	**15.06**	25.65
Royalties	**(0.46)**	(1.77)	**(0.74)**	(1.81)
Realized commodity hedging gain/(loss)	**3.34**	(0.16)	**2.51**	(0.52)
Marketing income[(1)]	**(0.26)**	1.23	**(0.07)**	1.31
Net operating costs[(2)]	**(5.68)**	(6.00)	**(5.70)**	(6.12)
Transportation costs	**(3.42)**	(3.01)	**(3.31)**	(2.63)
Operating netbacks[(3)]	**5.91**	15.06	**7.75**	15.88
G&A	**(0.76)**	(1.39)	**(0.96)**	(1.45)
Financing costs on long-term debt	**(2.85)**	(2.84)	**(2.71)**	(2.85)
Adjusted funds flow	**2.30**	10.83	**4.08**	11.58
Drilling Activity				
Gross wells	**0**	1	**2**	8
Working interest wells	**0.00**	1.00	**2.00**	8.00
Success rate, net wells (%)	**-**	100%	**100%**	100%

Notes:

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

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

(3) Non-IFRS Measure. Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Operating netback does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within Crew's MD&A.

THE CREW ADVANTAGE

While the second quarter of 2020 continued to present challenges for the broader energy industry, Crew maintained our focus on both value preservation and value creation opportunities. This was achieved while prioritizing the ongoing health and safety of our team, partners and community amid the COVID-19 pandemic. To preserve asset value given extremely weak oil and liquids prices through Q2, Crew chose to shut-in a portion of the high-quality, high-margin production from our ultra-condensate rich ("UCR")[1] area, along with some higher-cost heavy oil production at Lloydminster. As prices improved in June, we were able to respond quickly and start bringing some production back on-line, capturing value within a strengthening price environment with no negative impacts to well or reservoir performance. We will continue to monitor pricing and economics and can pivot quickly to further support AFF and control costs.

We are encouraged to see a more constructive futures market for natural gas and have taken the opportunity to significantly increase our hedge protection while actively targeting higher-priced sales hubs to continue benefitting from market diversification. Part of our longer-term planning includes the ongoing evaluation of our forecast AFF for the next few years based on targeted capital spending, future prices and fixed and variable costs. Based on this analysis, it became clear that Crew could benefit by capturing the opportunity to hedge gas and condensate volumes at attractive prices for 2021 to underpin a natural gas drilling program which is expected to keep production levels in 2021 comparable to 2020 while improving leverage metrics. These factors, coupled with our strong liquidity position, contributed to the decision to increase our planned capital spending in the last half of 2020 to provide for the drilling, completion and tie-in of a seven-well pad at West Septimus. This project features attractive economics with the Company budgeting, based on current forward commodity prices, a recovery of associated capital costs within approximately 12 to 14 months.

[1] Ultra-Condensate Rich" or "UCR" is not defined in NI 51-101 and means a fairway of land at Crew's Greater Septimus area of operations where productive zones have high condensate rates (initial 30-day condensate / gas ratio rates of greater than 75 bbls per mmcf).

Within the current challenging yet opportunity-rich landscape, Crew remains very well positioned to create long-term value for stakeholders. We have assembled a large, contiguous Montney asset base that offers diverse exposure to natural gas, oil, condensate and ngl, and have structured our balance sheet with the majority of our debt termed out to 2024. The Company has ample liquidity to be opportunistic in the current environment and has seen an improvement in sustainability with the base decline rate falling at its liquids-rich Septimus and West Septimus areas ("Greater Septimus"), a result of Extended Reach Horizontal ("ERH") drilling and lower activity. While addressing the ongoing challenges presented by COVID-19, we have maintained our unwavering commitment to health and safety and are pleased to report no recordable or lost-time injuries or spills in Q2/20.

Our core ESG principles also remain a high priority for Crew. The successful twinning and start-up of a pipeline at West Septimus in Q1/20 reduced line pressure in our UCR area. This has supported production and reduced gas lift compression requirements from high-value wells and is expected to lead to a reduction of 1,550 tonnes of CO_2 emissions annually, the equivalent of 337 cars per year[2]. In addition, a water disposal well in West Septimus that was drilled in Q1/20 began operation ahead of schedule early in the second quarter. Based on current performance, it is expected that the well will be able to handle all of the produced water from the West Septimus facility, ultimately reducing costs by $6.0 million annually and eliminating 2,800 tonnes of CO_2 emissions, the equivalent of 609 cars per year.

FINANCIAL OVERVIEW

Production Higher As Prices Improve

- Second quarter production averaged 22,074 boe per day, while volumes for the six months ended June 30, 2020 were 22,985 boe per day, both in-line with Crew's projected range of 22,000 to 23,000 boe per day for the first half of 2020. With approximately 2,100 boe per day shut-in through Q2/20, production for the period exceeded internal forecasts as we were able to bring volumes back on-line in June given price improvements.
- Production from the Greater Septimus area averaged 18,565 boe per day in Q2/20, 5% and 7% lower than Q2/19 and Q1/20, respectively, reflecting minimal capital investment given prevailing commodity prices and an average of approximately 1,700 boe per day of shut-in production for the quarter.
- Crew's Q2/20 exploration and development expenditures totaled $5.3 million, slightly lower than guidance of $6.0 to $8.0 million, with $2.7 million directed to drilling and completion activities, including certain preparations for the drilling of a seven-well pad in West Septimus and the completion of two heavy oil wells drilled in Q1/20. In addition, $0.9 million was allocated to well sites, facilities and pipelines and $1.8 million to land, seismic and other miscellaneous items.

Positive AFF

- Crew generated $4.6 million of AFF in Q2/20 ($0.03 per fully diluted share) and $17.0 million ($0.11 per fully diluted share) in the first half of 2020, 79% and 65% lower than the comparable periods of 2019 and 63% less than Q1/20, primarily due to the impact of severely depressed commodity prices.
- Petroleum and natural gas sales totaled $24.9 million in Q2/20, 35% lower than Q1/20 and 52% lower than Q2/19 and were $63.0 million for the first half of the year, 41% lower than the same period of 2019. This reflects a decline in Crew's Q2/20 per boe realized price of 29% and 50% over Q1/20 and Q2/19, and the impact of lower production.
- Commodity prices remained under pressure through Q2/20 as benchmark prices for all products declined quarter-over-quarter and year-over-year. In particular, oil and condensate prices decreased significantly in the last half of March in response to events on the global stage, including a price war between OPEC+ members and the demand destruction caused by the impact of the COVID-19 pandemic.

[2] The average North American car emits 4.6 tonnes of CO_2 per year (Source: EPA / Natural Resources Canada)

- The benchmarks for Crew's realized pricing declined relative to the same period in 2019 and to the previous quarter:
  - Crew's realized light crude oil price was 64% and 46% lower than in Q2/19 and Q1/20, respectively, compared to declines of 52% and 38% in the Canadian dollar denominated West Texas Intermediate ("WTI") benchmark price over the same respective periods. The Company's Q2/20 realized price decline was more pronounced than the WTI benchmark due to wider pricing differentials between Canadian and US crude benchmarks stemming from a continued lack of Canadian egress.
  - The Western Canada Select ("WCS") heavy crude oil benchmark declined 66% from Q2/19 and 34% from Q1/20, with Crew's realized heavy crude oil price declining 70% and 10% relative to both periods.
  - Pricing for the Company's ngl production in Q2/20 increased 3% and 59% over Q2/19 and Q1/20, respectively, largely due to increases in component pricing across North America, particularly increased realized prices for ethane.
  - Relative to the condensate at Edmonton benchmark price, which declined 59% and 50% over Q2/19 and Q1/20, Crew's realized condensate prices over the same respective periods decreased 66% and 57%, directionally in-line with benchmarks with the relative difference being the result of fixed transportation costs.
  - Crew's Q2/20 natural gas sales continued to be exposed to diversified markets, a feature that has benefited the Company significantly in the past, particularly our higher exposure to US markets. Consistent with Q1/20, the Chicago City Gate net at ATP average quarterly benchmark price again traded below prices at AECO 5A or Alliance, impacting Crew's realized natural gas price, which declined 25% and 5% relative to Q2/19 and Q1/20, respectively. Through 2020 and into 2021, the Company's relative exposure to Canadian AECO and Alliance pricing will increase, with a proportionate decrease in US price exposure.

Focus on Cost Control

- Our focus remains on controlling and reducing costs throughout the organization. Net operating costs in Q2/20 of $5.68 per boe declined 5% and 1% relative to the same period in 2019 and to the preceding quarter.

- G&A costs of $0.76 per boe in Q2/20 were 45% and 34% lower than Q2/19 and Q1/20, respectively. This reflects Crew's continued focus on administrative cost reductions, lower compensation costs, lower head office operating costs and property taxes stemming from a condensed office footprint, and the impact of government grants received under the Canada Emergency Wage Subsidy.

Strong Liquidity Position

- Net debt of $339.2 million at June 30, 2020 was 4% lower than June 30, 2019, 2% lower than year end 2019 and in line with the previous quarter. During Q1/20, Crew announced strategic debt and infrastructure transactions, with $35 million of proceeds from the first closing applied to outstanding draws on our credit facility, which totaled $35.5 million at June 30, 2020.

- As a result of the previously disclosed infrastructure transactions, Crew expects to capture efficiencies through 2020 with net proceeds totaling $58.3 million, and an anticipated annual net savings of processing fees and interest of approximately $3.0 million following the second closing in Q4/20. In addition, commencing in 2021, Crew can elect to exercise an option for a further disposition of the facility working interests which would result in additional cash consideration of up to $37.5 million, providing incremental liquidity.

- Crew's debt is comprised of $300 million of senior unsecured term debt with no financial maintenance covenants or repayment required until 2024, and a $150 million credit facility that was 24% drawn at quarter-end. The Company's facility was reviewed and extended for another 365 days to June 2021 and has a contractual maturity in 2022 if not extended. The amended borrowing base of $150 million is reflective of the severe decline in commodity prices due to COVID-19 and other macro market factors. The revised facility is structured to better align with the Company's anticipated capital spending plans and to control the overall cost of the facility to the Company.

TRANSPORTATION, MARKETING & HEDGING

Market Access Diversification and Risk Management

- Over the past several years, Crew has focused on diversifying the Company's sales portfolio, which has resulted in significant exposure to US sales hubs and has offered more attractive pricing for the last four and a half years. As a result of certain sales contracts expiring, Crew is in an advantageous position to materially re-position our natural gas sales portfolio over the next 18 months.
- In Q3/19, TC Energy's service protocol change caused Canadian natural gas prices to increase to levels more aligned with US sales hubs, muting Crew's premium natural gas pricing advantage. To offset this, we are actively rebalancing the Company's marketing portfolio to reduce transportation commitments and redirect our natural gas portfolio to those North American markets that offer optimal natural gas netbacks.
- Crew's average natural gas sales exposure in Q2/20 was weighted approximately 49% to Chicago (down from 58% in Q1/20), 16% to Henry Hub (on par with Q1/20), 24% to Alliance 5A (up from 19% in Q1/20), 8% to Station 2 (up from 7% in Q1/20) and 3% to AECO 5A (up from 0% in Q1/20).
- For 2020, the Company's sales portfolio is estimated to be weighted 57% to Chicago, 15% to Henry Hub, 14% to Alliance 5A, 9% to Station 2, and 5% to AECO 5A.
- Into 2021, based on current forward pricing, our estimated weighting is expected to shift to approximately 32% to Chicago, 15% to Alliance 5A, 46% to AECO 5A and 7% to Station 2.
- Crew's Q2/20 MD&A contains a complete list of all hedges in place as at June 30, 2020 along with incremental contracts secured subsequent to quarter end.
- Crew was able to utilize part of the 20,000 bbls installed storage capacity to help improve oil netbacks in Q2/20.

OPERATIONS & AREA OVERVIEW

NE BC Montney - Greater Septimus

- All four of Crew's 3-32 wells were shut-in during May and produced at restricted rates for most of the quarter. The wells continue to meet expectations for type wells derived from Crew's independent reserves evaluation at year end 2019.
- The development of natural gas in West Septimus is supported by Crew's low variable operating cost structure, reduced capital costs and hedging completed into favorable forward strip pricing.
    - Drilling operations have commenced on the first of seven wells at the 9-5 pad at West Septimus.
    - The development area benefits from the low variable operating costs inherent at West Septimus, which average approximately $1 per boe, as well as available capacity from recent area plant and pipeline expansions.

- Successful experience in ERH drilling and completions will be employed to enhance the efficiency of this program.

Greater Septimus

Production & Drilling	**Q2 2020**	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Average daily production (boe/d)	**18,565**	19,894	18,720	19,648	19,594
Wells drilled (gross / net)	**0**	0	0	0	1 / 1.0
Wells completed (gross / net)	**0**	0	4 / 4.0	1 / 1.0	0

Operating Netback ($ per boe)	**Q2 2020**	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Revenue	**11.97**	17.61	20.13	17.38	22.20
Royalties	**(0.36)**	(0.86)	(1.76)	(1.04)	(1.27)
Realized commodity hedge gain / (loss)	**3.06**	1.44	0.90	1.78	0.28
Marketing income(1)	**(0.31)**	0.13	(0.02)	1.55	1.43
Net operating costs(2)	**(4.81)**	(4.52)	(3.99)	(4.41)	(4.46)
Transportation costs	**(3.37)**	(2.99)	(2.61)	(2.62)	(2.81)
Operating netback(3)	**6.18**	10.81	12.65	12.64	15.37

Notes:

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

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

(3) Non-IFRS Measure. Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts, marking income, less royalties, net operating costs and transportation costs calculated on a boe basis. Operating netback does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within Crew's MD&A.

Other NE BC Montney

- **Tower:** Production averaged 694 boe per day in this area during Q2/20, comprised of 183 bbls per day of oil, 21 bbls per day of condensate, 60 bbls per day of ngl and 2,577 mcf per day of natural gas. Crew continues to evaluate options to reduce operating costs and improve netbacks through the optimization of existing pipeline infrastructure and tankage.

- **Attachie:** Approximately 36 of the Company's 76 net sections in this area are situated within the liquids-rich hydrocarbon window. Given the positive results generated by offsetting operators, a lease retention well is currently planned in 2021 and would conclude the lease preservation program at Attachie.

- **Oak / Flatrock:** In this liquids-rich gas area, Crew has more than 60 (52 net) sections of land, and the Company plans to continue monitoring industry activity and offsetting well results which have been encouraging.

- **Groundbirch:** With approximately 112 sections adjacent to acreage planned to be developed for a west coast LNG project and existing pipeline infrastructure proximal to the Coastal GasLink pipeline inlet, this area is ideally situated for future development. Crew anticipates drilling three lease retention wells in this area in 2021.

AB / SK Heavy Oil Lloydminster

- In light of deteriorating oil prices through April and May, Crew reduced capital directed to heavy crude oil opportunities at Lloydminster and continued to scale back operations and production in Q2/20 in order to preserve value and minimize costs. Two lease retention wells drilled in Q1/20 were completed and equipped and brought on production when prices improved.

- Production averaged 1,180 bbls per day in Q2/20 reflecting the shut-in of approximately 400 bbls of oil per day in Q2/20, the impact of natural declines and limited capital investment. Crew began reactivating shut-in wells in June to capture value from narrow differentials, with June production averaging 1,354 bbls per day, and will continue to adjust production levels as prices dictate.

OUTLOOK

- We are very pleased to see a more constructive market for AECO natural gas and have taken the opportunity to significantly increase our hedge protection while actively targeting higher-priced sales hubs to continue to benefit from marketing diversification.

- To underpin a natural gas drilling program planned to improve leverage metrics and maintain 2021 production levels and unit costs comparable with 2020, Crew has proactively hedged natural gas and condensate volumes in 2021 at attractive prices. Our decision to increase planned investment in the last half of 2020 including the drilling and completion of a seven-well pad at West Septimus, along with associated infrastructure, was supported by:
    - Crew's strong liquidity position;
    - Focus on improving leverage metrics;
    - Reduced drilling and completion costs;
    - Ability to add natural gas volumes into a low variable cost structure;
    - Sustainability improving as base decline rates decrease in Greater Septimus, a function of maturing production and the adoption of ERH wells;
    - Timing of our capital investment to bring new production volumes on-stream into higher priced markets;
    - Access to, and takeaway capacity on, multiple natural gas takeaway pipelines providing flexibility to direct sales to the highest priced markets; and
    - Strong projected returns.
- With our exposure to AECO 5A prices increasing from 5% in 2020 to 46% in 2021, we have hedged a portion of the estimated forecast 2021 gas production from the new wells to minimize commodity risk and contribute to compelling returns with quick potential well pay outs. Should the very recent improvement in natural gas future prices in 2021 be realized, the returns on this investment would be enhanced.
- Drilling of the first of seven wells commenced in late July, with production from all seven wells anticipated to come on-stream by Q1/21.
- With the new pad development, Crew's annual exploration and development expenditure budget range has been increased to $75 to $85 million ($17 to $27 million net of dispositions), with Q3/20 capital spending projected to be $20 to $25 million and Q3 average production forecasted to be 18,000 to 19,000 boe per day reflecting an anticipated ten day turnaround at our Septimus processing facility and a 30-day turnaround at the McMahon gas processing facility. We are forecasting fourth quarter average production of 19,500 to 20,500 boe per day and are pleased to maintain our annual average production guidance of 20,000 to 22,000 boe per day.

- Crew has continued to participate in the various government incentive programs that have been offered and submitted applications for the various provincial reclamation and remediation stimulus programs. Crew has been awarded funding and will be initiating field work as outlined within the program.
- The Company remains well positioned from a liquidity perspective with 24% drawn on our $150 million credit facility at quarter-end, and an additional net $23 million cash payment expected to be realized during Q4/20 associated with the previously disclosed strategic infrastructure transactions. Importantly, with $300 million of senior notes termed out until 2024, Crew does not face any near-term maturities or repayment requirements which affords financial flexibility to weather market weaknesses.

The COVID-19 pandemic continues to cause negative repercussions throughout the global economy. While Crew's focus remains on the health and safety of our staff and community, we are striving to capture opportunities to generate meaningful long-term value for all stakeholders and appreciate the trust you have placed in our Company. We commend the tireless efforts of Crew's employees and directors whose commitment and dedication are critical to our ongoing success. We thank all of our shareholders and bondholders for your ongoing support and hope you and your families remain safe.

ADVISORIES

Information Regarding Disclosure on Operational Information and Non-IFRS Measures

All amounts in this report are stated in Canadian dollars unless otherwise specified. This report contains financial and performance metrics that are not defined in IFRS and do not have standardized meanings or standardized methods of calculation, such as "adjusted funds flow", "operating netbacks", "net capital expenditures", "working capital deficiency (surplus)" and "net debt". As such, these terms 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 herein to provide readers with additional information to evaluate the Company's performance, however such metrics should not be unduly relied upon. Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Crew's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this report, should not be relied upon for investment or other purposes.

Forward-Looking Information and Statements

This report contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this report contains forward-looking information and statements pertaining to the following: the potential and uncertain impact of COVID-19 on the Company's operations and results; as to the execution of Crew's business plan including Q3, Q4 and annual 2020 production guidance, capital spending plans and budget estimates; the anticipated receipt of additional net cash proceeds of $23 million upon remaining closings of the Company's previously announced strategic transactions; as to the Company's ongoing goal of increasing the overall weighting of condensate in its production mix; the estimated volumes, including planned production shut-ins, and product mix of Crew's oil and gas production; production estimates including targeted production levels in 2021 to be comparable to 2020 volumes; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs; marketing and transportation plans; estimates of sales points weightings for 2020 and into 2021; future liquidity and financial capacity; future results from operations and operating metrics; potential for lower costs and efficiencies going forward including forecasted reductions in G&A for 2020; reductions in transportation costs; and estimated annual savings associated with shut-ins and planned operations and streamlining efforts; anticipated reductions in annual CO2 emissions; the potential impact of government programs associated with COVID-19; world supply and demand projections and anticipated reductions in industry spending as a result, and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans and associated timing and cost estimates); infrastructure investment plans and associated production capacity; and the amount and timing of capital projects.

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

The forward-looking information and statements included in this report are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: the continuing and uncertain impact of COVID-19; changes in commodity prices; changes in the demand for or supply of Crew's products, the early stage of development of some of the evaluated areas and zones the potential for variation in the quality of the Montney formation; interruptions, unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates; climate change regulations, or other regulatory matters; changes in development plans of Crew or by third party operators of Crew's properties, increased debt levels or debt service requirements; inaccurate estimation of Crew's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Crew's public disclosure documents (including, without limitation, those risks identified in this report and Crew's Annual Information Form).

The internal projections, expectations or beliefs underlying the Company's 2020 capital budget and corporate outlook for 2020 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 2020 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 2020 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2020 guidance and outlook may not be appropriate for other purposes.

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.

Supplemental Information Regarding Product Types

This report includes references to average daily production volumes by quarter at Greater Septimus. 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:

	Greater Septimus Production Volume Breakdown			
	Natural gas liquids(1)	Condensate	Natural gas	Total (boe/d)
Q2/20	*11%*	*14%*	*75%*	18,565
Q1/20	*11%*	*17%*	*72%*	19,894
Q4/19	*10%*	*13%*	*77%*	18,720
Q3/19	*11%*	*13%*	*76%*	19,648
Q2/19	*10%*	*16%*	*74%*	19,594

Notes:

(1) Throughout this report, natural gas liquids ("ngl") comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately.

Test Results and Initial Production Rates

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

BOE equivalent

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

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

ADVISORIES

Management's discussion and analysis ("MD&A") is the explanation of the financial performance for the period covered by the financial statements along with an analysis of the financial position of the Company. Comments relate to and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three and six month periods ended June 30, 2020 and 2019. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). There have been no significant changes to the critical estimates disclosed in the Company's audited financial statements for the year ended December 31, 2019. All figures provided herein and in the June 30, 2020 unaudited condensed interim consolidated financial statements are reported in Canadian dollars ("CDN"). This MD&A is dated August 6, 2020.

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

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus ("COVID-19"). The outbreak and subsequent measures intended to limit the pandemic contributed to significant volatility in global financial markets. The pandemic has adversely impacted global commercial activity and has significantly reduced worldwide demand for commodities including crude oil, natural gas and natural gas liquids ("ngl"). The result has been significant volatility and a decline in the near and medium term price for these commodities. In general, the oil and gas industry has reacted with reductions to capital and other spending, as well as production shut-ins, to try to manage through this price environment. The duration of the current commodity price volatility is uncertain.

The full extent of the impact of COVID-19 on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact. The outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by Management in the preparation of its financial results.

Crew remains well positioned from a liquidity perspective with low draws on its $150 million credit facility and has a contractual maturity in 2022 if not extended. The Company successfully completed the first phase of the previously announced sale of a 22% interest in its Greater Septimus processing complex in the first quarter for $35 million. The Company plans to close the second phase of the sale along with an associated buyback of a 16% interest in the complex for a net receipt to the Company of $23 million in the fourth quarter of 2020. In addition, with $300 million of senior unsecured notes that are termed out until 2024, Crew does not face any near-term maturities or repayment requirements, which affords the financial flexibility to weather continued market weakness.

Crew is dedicated to ensuring the health, safety and security of employees, contractors, partners and residents within all of its operating areas and communities. In response to the COVID-19 pandemic, the Company mobilized quickly to implement response plans and procedures that would protect the health and well-being of all stakeholders. Crew established work from home protocols in mid-March, including training programs specifically designed to ensure home working environments are effective, and rolled-out new technologies and programs to facilitate remote working across the organization. With the aid of new safety protocols, effective June 1, 2020, office employees returned to work in Crew's head office. The Company also implemented social distancing protocols throughout its field operations that help to protect field staff and contractors, while new workforce efficiencies have been implemented to streamline costs. As a result of the actions taken and the diligence of the Company's staff in following prescribed social distancing measures, the Company is pleased to report that it has not had any lost time as a result of COVID-19.

Crew believes the measures it has taken will provide it with the financial capability to maintain its base business, deliver safe and reliable operations and continue to challenge its cost structure. The Company is confident that commodity prices will eventually improve; however, the timing of that improvement is uncertain, and continued volatility is expected.

Forward Looking Statements

This MD&A contains forward looking statements. Management's assessment of the potential and uncertain impact of COVID-19 on the Company's operations and results, future plans and operations, including third quarter, fourth quarter and annualized 2020 production guidance, capital spending plans and budget estimates, drilling plans and the timing thereof, plans for the completion and tie-in of wells, facility and pipeline construction, expansion, commissioning and the timing thereof, capital expenditures, timing of capital expenditures and methods of financing capital expenditures and the ability to fund financial liabilities, production estimates, expected commodity mix and prices, future net operating costs, future transportation costs, expected royalty rates, expected and forecasted reductions in general and administrative expenses for 2020, expected interest rates and other financing charges, debt levels and expected debt levels, funds from operations and the timing of and impact of implementing accounting policies, expectations in regards to the Company's credit facilities, estimates regarding undeveloped land position and estimated future drilling, recompletion or reactivation locations, anticipated closings of infrastructure transactions in the fourth quarter, the potential for further property divestures, the anticipated impact of potential future transactions and the Company's capital program design to maintain 2021 production levels and unit costs comparable to 2020 may constitute forward looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and inability to access sufficient capital from internal and external sources. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward looking statements. Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Crew believes that the expectations reflected in such forward looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact measures taken to protect citizens from COVID-19 will have on global energy demand and global economies; the potential impact of government programs associated with COVID-19; the general stability of the economic and political environment in which Crew operates; the impact of increasing competition; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Crew's ability to obtain financing on acceptable terms; changes in the Company's banking facility; field production rates and decline rates; the ability to reduce net operating costs; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future petroleum and natural gas prices; currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and Crew's ability to successfully market its petroleum and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website (www.crewenergy.com).

The internal projections, expectations or beliefs underlying the Company's 2020 capital budget, production guidance and corporate outlook for 2020 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 2020 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 2020 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2020 guidance and outlook may not be appropriate for other purposes. Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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 natural gas liquids and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants.

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

Non-IFRS Measures

Throughout this MD&A, the Company uses certain measures to analyze operational and financial performance. These non-IFRS measures do not have any standardized meaning prescribed under IFRS and therefore, may not be calculated in a similar fashion nor comparable to similar measures presented by other entities. Management believes that the presentation of these non-IFRS measures provides useful information to shareholders and investors as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

Funds from Operations and Adjusted Funds Flow

One of the benchmarks Crew uses to evaluate its performance is funds from operations and adjusted funds flow. Funds from operations and adjusted funds flow are measures not defined in IFRS but are commonly used in the oil and gas industry. Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital and accretion of deferred financing costs. Adjusted funds flow represents funds from operations before decommissioning obligations settled. The Company considers these metrics as key measures that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. Management believes that such measures provide an insightful assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and actual settlements of decommissioning obligations, the timing of which is discretionary. 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 following table reconciles Crew's cash provided by operating activities to funds from operations and adjusted funds flow:

($ thousands)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Cash provided by operating activities	**8,175**	40,879	**18,094**	51,412
Change in operating non-cash working capital	**(3,396)**	(18,973)	**(751)**	(5,254)
Accretion of deferred financing costs	**(247)**	(246)	**(492)**	(491)
Funds from operations	**4,532**	21,660	**16,851**	45,667
Decommissioning obligations settled	**101**	853	**182**	2,617
Adjusted funds flow	**4,633**	22,513	**17,033**	48,284

Operating Netback

Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. This benchmark as presented does not have any standardized meaning prescribed by IFRS, and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Management considers operating netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's netbacks can be seen in the section entitled "Operating Netbacks" of this MD&A.

Working Capital and Net Debt

The Company closely monitors its capital structure with a goal of maintaining a strong financial position in order to fund current operations and the future growth of the Company. Crew monitors working capital and net debt as part of its capital structure. Working capital and net debt do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures for other entities.

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

($ thousands)	**June 30, 2020**	December 31, 2019
Current assets	**23,647**	50,019
Current liabilities	**(23,203)**	(46,690)
Derivative financial instruments	**(7,824)**	(3,180)
Working capital (deficiency) surplus	**(7,380)**	149

($ thousands)	**June 30, 2020**	December 31, 2019
Bank loan	**(35,466)**	(52,136)
Senior unsecured notes	**(296,360)**	(295,868)
Working capital (deficiency) surplus	**(7,380)**	149
Net debt	**(339,206)**	(347,855)

RESULTS OF OPERATIONS

Production

	Three months ended June 30, 2020					Three months ended June 30, 2019				
	Oil (bbl/d)	**Condensate (bbl/d)**	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	**191**	**2,634**	**2,147**	**95,534**	**20,894**	155	3,127	2,049	94,826	21,135
Lloydminster	**1,175**	**-**	**-**	**30**	**1,180**	1,722	-	-	47	1,730
Total	**1,366**	**2,634**	**2,147**	**95,564**	**22,074**	1,877	3,127	2,049	94,873	22,865

During the second quarter of 2020, production decreased 3% over the same period in 2019 largely as a result of a decrease in heavy crude oil production in the Lloydminster area from natural declines and limited capital investment. In addition, the Company shut-in production averaging approximately 1,700 boe per day in northeast British Columbia and 400 boe per day in Lloydminster for the quarter, primarily due to depressed commodity pricing resulting from the on-going COVID-19 pandemic and the short lived Organization of Petroleum Exporting Countries ("OPEC") price war. These were partially offset by increased condensate-rich natural gas production in the West Septimus area, where the Company completed new wells late in the fourth quarter of 2019.

	Six months ended June 30, 2020					Six months ended June 30, 2019				
	Oil (bbl/d)	**Condensate (bbl/d)**	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	**203**	**2,987**	**2,218**	**97,324**	**21,629**	190	2,873	2,031	97,650	21,369
Lloydminster	**1,351**	**-**	**-**	**30**	**1,356**	1,666	-	-	42	1,673
Total	**1,554**	**2,987**	**2,218**	**97,354**	**22,985**	1,856	2,873	2,031	97,692	23,042

For the first half of 2020, production was slightly lower as compared to the same period in 2019. Production levels in Lloydminster decreased 19% from natural declines and limited capital investment, as well as the aforementioned shut-in production in northeast British Columbia and Lloydminster. These declines were partially offset by the aforementioned new condensate-rich natural gas wells completed in West Septimus in the fourth quarter of 2019.

Petroleum and Natural Gas Sales

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Petroleum and natural gas sales ($ thousands)				
Light crude oil	**418**	936	**1,296**	2,176
Heavy crude oil	**1,933**	9,404	**4,721**	15,808
Natural gas liquids	**1,513**	1,398	**2,525**	3,372
Condensate	**5,678**	19,623	**22,343**	34,265
Natural gas	**15,347**	20,182	**32,098**	51,373
Total	**24,889**	51,543	**62,983**	106,994
Crew average prices				
Light crude oil ($/bbl)	**24.04**	66.15	**35.05**	63.14
Heavy crude oil ($/bbl)	**18.08**	60.00	**19.20**	52.44
Natural gas liquids ($/bbl)	**7.74**	7.50	**6.26**	9.17
Condensate ($/bbl)	**23.69**	68.96	**41.10**	65.88
Natural gas ($/mcf)	**1.76**	2.34	**1.81**	2.91
Oil equivalent ($/boe)	**12.39**	24.77	**15.06**	25.65
Benchmark pricing				
Light crude oil – Cdn$ WTI (Cdn $/bbl)	**38.42**	80.03	**50.03**	76.51
Heavy crude oil – WCS (Cdn $/bbl)	**22.43**	65.64	**28.25**	61.27
Condensate – Condensate @ Edmonton (Cdn $/bbl)	**30.65**	74.75	**46.17**	71.30
Natural Gas:				
AECO 5A daily index (Cdn $/mcf)	**1.99**	1.03	**2.01**	1.83
AECO 7A monthly index (Cdn $/mcf)	**1.91**	1.17	**2.03**	1.56
Alliance 5A (Cdn $/mcf)	**1.83**	1.23	**1.93**	2.00
Chicago City Gate at ATP (Cdn $/mcf)	**1.50**	2.35	**1.56**	2.86
Henry Hub Close (Cdn $/mcf)	**2.38**	3.53	**2.50**	3.86

In the second quarter of 2020, the Company's petroleum and natural gas sales decreased 52% as compared to the same period in 2019, as result of a 50% decrease in the Company's realized wellhead pricing and the small decrease in production.

The Company's realized light crude oil price decreased 64%, which is higher than the 52% decrease in the Company's Cdn$ West Texas Intermediate ("WTI") benchmark price from the same period last year as a result of weaker Canadian crude price differentials compared to US crude prices stemming from the lack of Canadian egress. Crew's second quarter heavy crude oil price decreased 70%, which was slightly higher than the 66% decrease in the Company's WCS benchmark, as a result of weaker spot price sales as compared to the same period last year.

Crew's ngl realized price increased 3% in the second quarter as compared to the same period in 2019, due to an increase in component pricing, predominantly due to increases in realized ethane pricing across North America. Crew's ngl pricing includes embedded cost to process the ngl product out of the Company's gas stream, which occurs after the custody transfer point. The cost of processing cannot exceed the price of the extracted product. The Company's second quarter realized condensate price decreased 66% over the same period in 2019, as compared to the 59% decrease in the Condensate at Edmonton benchmark price, as a result of fixed transportation costs which further dilute the realized condensate price in a decreasing price environment.

Crew's realized natural gas price decreased 25% in the second quarter of 2020 as compared to the 17% decrease in Company's natural gas sales portfolio weighted benchmark price. The larger corporate decrease was the result of a March to October 2020 natural gas sales contract that is priced at a Chicago City Gate price less a fixed differential that is greater than the ATP to Chicago transportation cost.

The Company's second quarter 2020 natural gas sales portfolio was based approximately on the following reference prices:

	Q2 2020	Q2 2019
AECO 5A	**3%**	7%
Alliance 5A	**24%**	27%
Chicago City Gate at ATP	**49%**	51%
Henry Hub	**16%**	15%
Station 2	**8%**	-
Total	**100%**	100%

The Company's revenue for the first half of 2020 decreased 41% over same period in 2019 as a result of the 41% decrease in realized wellhead pricing. The Company's realized light crude oil price decreased 44%, as compared to the 35% decrease in the Company's WTI benchmark, as a result of fixed transportation costs which further dilute the realized light crude oil price in a decreasing price environment. Crew's heavy crude oil price for the first half of 2020 decreased 63%, as compared to the 54% decrease in the Company's WCS benchmark, as a result of an increase in the cost of diluent required to blend with the heavy crude oil as compared to the same period last year.

In the first six months of 2020, the Company's ngl realized price decreased 32% over the same period in 2019 due to decreases in component pricing at the Company's primary Conway pricing point. The Company's realized condensate price decreased 38%, which was consistent with the 35% decrease in the Condensate at Edmonton benchmark price for the same period last year.

The Company's natural gas price decreased 38% over the first half of 2019 as compared to the 32% decrease in Company's natural gas sales portfolio weighted benchmark price. The larger corporate decrease was the result of a March to October 2020 natural gas sales contract that is priced at a Chicago City Gate price less a fixed differential that is greater than the ATP to Chicago transportation cost.

Royalties

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Royalties	**918**	3,692	**3,082**	7,556
Per boe	**0.46**	1.77	**0.74**	1.81
Percentage of petroleum and natural gas sales	**3.7%**	7.2%	**4.9%**	7.1%

For the second quarter and first half of 2020, royalties and royalties per boe decreased over the same periods in 2019, due to decreases in realized wellhead pricing as royalty rates fluctuate on a sliding scale with increases and decreases in the underlying commodity price. The Company has revised its estimate for 2020 royalties as a percentage of petroleum and natural gas sales to average between 4% and 6% from a range of 5% to 7% as lower commodity prices have reduced sliding scale royalty percentages.

Derivative Financial Instruments

Commodities

The Company enters into derivative and physical risk management contracts in order to reduce volatility in financial results, to ensure a certain level of cash flow to fund planned capital projects and to protect acquisition economics. 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 commodity price increases. 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 condensed interim consolidated statements of (loss) income and comprehensive (loss) income:

($ thousands)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Realized gain (loss) on derivative financial instruments	**6,712**	(325)	**10,512**	(2,162)
Per boe	**3.34**	(0.16)	**2.51**	(0.52)
Unrealized (loss) gain on financial instruments	**(9,472)**	9,178	**4,867**	(1,702)

At June 30, 2020, the Company held derivative commodity contracts as follows:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded	Fair Value
Gas	10,000 mmbtu/day	July 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Monthly	$3.34/mmbtu	Swap	$ 1,282
Gas	2,500 mmbtu/day	July 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Daily	$3.23/mmbtu	Swap	286
Gas	2,500 mmbtu/day	July 1, 2020 – December 31, 2020	US$ Nymex Henry Hub	$2.48/mmbtu	Swap	201
Gas	2,500 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Monthly	$3.17/mmbtu	Swap	(194)
Gas	10,000 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Daily	$3.27/mmbtu	Swap	(387)
Gas	15,000 gj/day	January 1, 2021 – March 31, 2021	AECO C Daily Index	$2.54/gj	Swap	183
Gas	15,000 gj/day	January 1, 2021 – March 31, 2021	AECO C Monthly Index	$2.53/gj	Swap	173
Gas	11,500 gj/day	April 1, 2021 – June 30, 2021	AECO C Daily Index	$2.12/gj	Swap	114
Gas	11,500 gj/day	April 1, 2021 – June 30, 2021	AECO C Monthly Index	$2.12/gj	Swap	111
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Daily Index	$2.35/gj	Swap	154
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Monthly Index	$2.05/gj	Swap	(4)
Gas	10,000 gj/day	July 1, 2021 – September 30, 2021	AECO C Daily Index	$2.18/gj	Swap	104
Gas	10,000 gj/day	July 1, 2021 – September 30, 2021	AECO C Monthly Index	$2.19/gj	Swap	104
Gas	8,500 gj/day	October 1, 2021 – December 31, 2021	AECO C Daily Index	$2.40/gj	Swap	60
Gas	9,000 gj/day	October 1, 2021 – December 31, 2021	AECO C Monthly Index	$2.40/gj	Swap	63
Oil	250 bbl/day	July 1, 2020 – September 30, 2020	USD$ WCS – WTI Differential	($16.00)/bbl	Swap	(104)
Oil	1,000 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WTI	$77.65/bbl	Swap	4,400
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WTI	$76.00/bbl	Swap	1,025
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	USD$ WCS – WTI Differential	($15.60)/bbl	Swap	(198)
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WCS	$51.50/bbl	Swap	674
Total						**$ 8,047**

Subsequent to June 30, 2020, the Company entered into the following commodity contracts:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded
Gas	5,000 gj/day	January 1, 2021 – March 31, 2021	AECO C Daily Index	$2.45/gj	Swap
Gas	2,500 gj/day	April 1, 2021 – June 30, 2021	AECO C Daily Index	$2.11/gj	Swap
Gas	1,500 gj/day	July 1, 2021 – September 30, 2021	AECO C Daily Index	$2.18/gj	Swap
Gas	1,500 gj/day	October 1, 2021 – December 31, 2021	AECO C Daily Index	$2.39/gj	Swap
Oil	250 bbl/day	October 1, 2020 – December 31, 2020	USD$ WCS – WTI Differential	($13.25)/bbl	Swap
Oil	500 bbl/day	January 1, 2021 – June 30, 2021	CDN$ Edmonton C5 Blended Index	$53.63/bbl	Swap

Marketing (Loss) Income

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Marketing revenue	**(524)**	2,553	**(291)**	5,893
Marketing expense	**-**	-	**-**	(414)
Marketing (loss) income	**(524)**	2,553	**(291)**	5,479
Per boe	**(0.26)**	1.23	**(0.07)**	1.31

In the second quarter and first half of 2020, the Company recognized $0.5 million and $0.3 million, respectively, of marketing losses related to the monetization of the Company's exposure to the Malin natural gas market. In the same periods in 2019, the Company had realized gains on the monetization of its exposure to the Malin and Dawn markets as they were priced significantly stronger relative to Canadian markets than they were in 2020.

Net Operating Costs

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Operating costs	**12,005**	13,285	**25,119**	27,240
Processing revenue	**(604)**	(794)	**(1,243)**	(1,694)
Net operating costs	**11,401**	12,491	**23,876**	25,546
Per boe	**5.68**	6.00	**5.70**	6.12

During the second quarter and first half of 2020, net operating costs and net operating costs per boe decreased as compared to the same periods in 2019, as a result of efforts by the Company to optimize field operations and reduce costs across all operating areas. This was coupled with reduced production in Lloydminster, where net operating costs are historically higher. The Company continues to forecast 2020 net operating costs to average between $6.00 and $6.50 per boe, as a forecasted decline in production will increase the per unit operating costs in the second half of 2020.

Transportation Costs

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Transportation costs	**6,868**	6,268	**13,839**	10,985
Per boe	**3.42**	3.01	**3.31**	2.63

During the second quarter of 2020, transportation costs increased as compared to the same period in 2019, as a result of the Company adding firm TC Energy mainline receipt service in conjunction with the new sales pipeline commissioning that increased the Company's exposure to diversified natural gas markets. For the first half of 2020, transportation costs increased compared to the same period in 2019 as the Company added take-or-pay costs associated with the Company's partially owned sales pipeline from West Septimus to TC Energy's ("TC") Saturn meter station in the second quarter of 2019 and the addition of the aforementioned firm TC Energy mainline receipt service. The Company continues to forecast 2020 transportation costs to average between $3.50 and $4.00 per boe, as a forecasted decline in production will increase the per unit costs of transportation in the second half of 2020.

Operating Netbacks(1)

($/boe)	**Greater Septimus**	**Lloydminster Heavy Oil**	**Other NE BC**	**Three months ended June 30, 2020**	Three months ended June 30, 2019
Petroleum and natural gas sales	**11.97**	**18.14**	**12.81**	**12.39**	24.77
Royalties	**(0.36)**	**(2.18)**	**(0.32)**	**(0.46)**	(1.77)
Realized commodity hedging gain (loss)	**3.06**	**9.58**	**2.43**	**3.34**	(0.16)
Marketing income	**(0.31)**	**-**	**-**	**(0.26)**	1.23
Net operating costs	**(4.81)**	**(18.53)**	**(6.08)**	**(5.68)**	(6.00)
Transportation costs	**(3.37)**	**(0.60)**	**(5.24)**	**(3.42)**	(3.01)
Operating netbacks	**6.18**	**6.41**	**3.60**	**5.91**	15.06
Production (boe/d)	**18,565**	**1,180**	**2,329**	**22,074**	22,865

($/boe)	**Greater Septimus**	**Lloydminster Heavy Oil**	**Other NE BC**	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Petroleum and natural gas sales	**14.89**	**19.20**	**14.06**	**15.06**	25.65
Royalties	**(0.62)**	**(2.73)**	**(0.53)**	**(0.74)**	(1.81)
Realized commodity hedging gain (loss)	**2.23**	**7.94**	**1.74**	**2.51**	(0.52)
Marketing income	**(0.08)**	**-**	**-**	**(0.07)**	1.31
Net operating costs	**(4.66)**	**(19.85)**	**(6.09)**	**(5.70)**	(6.12)
Transportation costs	**(3.17)**	**(0.56)**	**(5.94)**	**(3.31)**	(2.63)
Operating netbacks	**8.59**	**4.00**	**3.24**	**7.75**	15.88
Production (boe/d)	**19,230**	**1,356**	**2,399**	**22,985**	23,042

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

For the second quarter of 2020, the Company's operating netback decreased 61% over the same period in 2019, as a result of decreases in wellhead pricing and marketing income, as well as increased transportation costs, partially offset by reductions in royalties and net operating costs and increases in hedging gains. For the first half of 2020, the Company's operating netback declined 51% as compared to 2019 as a result of lower realized wellhead pricing, lower marketing income, and higher transportation costs, which were partially offset by increases in realized hedging gains and reductions in royalties and net operating costs.

General and Administrative Cost

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Gross costs	**2,257**	4,415	**6,110**	9,130
Operator's recoveries	**(21)**	(14)	**(32)**	(37)
Capitalized costs	**(706)**	(1,503)	**(2,050)**	(3,049)
General and administrative expenses	**1,530**	2,898	**4,028**	6,044
Per boe	**0.76**	1.39	**0.96**	1.45

Gross, net and per unit general and administrative ("G&A") costs decreased in the second quarter and first half of 2020 as compared to the same periods in 2019 due to a targeted reduction in compensation for the Company's Board of Directors, executive and staff, combined with the receipt of the government provided COVID-19 related Canada Emergency Wage Subsidy ("CEWS"). Additional savings have been realized through a reduction in size of the Company's head office, resulting in lower operating costs and property taxes, and a focused effort on reducing other overhead costs across the Company. As a result of the announced extension of the CEWS program to December 2020, the Company has further reduced its forecasted G&A costs per boe from between $1.00 and $1.25 per boe to average between $0.95 and $1.20.

Share-Based Compensation

($ thousands)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Gross costs	**1,104**	2,347	**2,919**	5,861
Capitalized costs	**(544)**	(1,117)	**(1,441)**	(2,797)
Total share-based compensation	**560**	1,230	**1,478**	3,064

In the second quarter and first half of 2020, the Company's total share-based compensation expense decreased as compared to the same periods in 2019, as a decline in the Company's share price has led to a decrease in the value of share-based compensation granted.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Depletion and depreciation	**18,683**	18,284	**38,197**	38,112
Per boe	**9.30**	8.79	**9.13**	9.14

In the second quarter of 2020, depletion and depreciation costs per boe increased as compared to the same period in 2019 as a result of higher land expiries in the second quarter of 2020, partially offset by reductions from increased reserve bookings in the Greater Septimus area, where depletion rates are lower than the corporate average, and a reduction in the capital cost base as a result of impairment charges recorded in the first quarter of 2020. The aforementioned reserve bookings and impairment charges contributed to the decrease in depletion and depreciation costs per boe in the first half of 2020 as compared to the same period in 2019.

Impairment

There were no indicators of impairment for the Company's CGUs as at June 30, 2020, and therefore an impairment test was not performed.

At March 31, 2020, the Company determined that indicators of impairment existed as a result of; the COVID-19 outbreak and its impact on global commodity demand due to the measures taken to limit the spread of the pandemic, the rapid fall in crude oil prices due to increased supply brought on by a price war between OPEC and non-OPEC members, and the impact that these events had on the Company's equity and debt values. As a result, the Company tested its northeast British Columbia CGU and Lloydminster CGU for impairment. It was determined that the carrying value of the northeast British Columbia CGU and Lloydminster CGU exceeded their recoverable amounts and impairment charges of $237.5 million and $29.8 million, respectively, were recorded for the CGUs.

Finance Expenses

($ thousands, except per boe)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Interest on bank loan and other	**618**	801	**1,184**	1,735
Interest on senior notes	**4,862**	4,862	**9,670**	9,670
Accretion of deferred financing charges	**247**	246	**492**	491
Accretion of the decommissioning obligation	**383**	494	**766**	973
Total finance expense	**6,110**	6,403	**12,112**	12,869
Average long-term debt level	**332,545**	343,867	**338,710**	350,460
Average drawings on bank loan	**32,545**	43,867	**38,710**	50,460
Average senior unsecured notes outstanding	**300,000**	300,000	**300,000**	300,000
Effective interest rate on senior unsecured notes	**6.5%**	6.5%	**6.5%**	6.5%
Effective interest rate on long-term debt	**6.2%**	6.2%	**6.2%**	6.1%
Financing costs on long-term debt per boe	**2.85**	2.84	**2.71**	2.85

The Company's total finance expense and average corporate debt levels decreased in the second quarter and first half of 2020 as compared to the same periods in 2019, as a result of the Company applying proceeds received from non-core asset and infrastructure dispositions against drawings on its bank loan. Crew continues to forecast the effective interest rate on its long-term debt to average between 6.0% and 6.5% in 2020.

Gain on Divestiture of Property

During the first quarter of 2020, the Company disposed of an 11% net working interest in each of its Septimus gas processing facility and West Septimus gas processing facility located in Northeast British Columbia for net proceeds of $34.8 million after transaction costs. These facilities were classified as held for sale as at December 31, 2019, with a net book value of $19.8 million and associated decommissioning obligations of $0.7 million, resulting in a gain of $15.7 million.

Deferred Income Taxes

In the second quarter and first half of 2020, the provision for deferred income taxes was nil and a deferred tax recovery of $53.5 million, respectively, as compared to a deferred tax recovery of $0.6 million and expense of $2.7 million, respectively, for the same periods in 2019. The deferred tax recovery in the first half of 2020 was predominantly due to the impairment charge recorded in the first quarter of 2020, resulting in a net loss realized in 2020 as compared to net income in the same period in 2019. The Company did not recognize a deferred income tax asset due to the uncertainty of future commodity prices and cash flows.

Cash, Funds from Operations and Net (Loss) Income

($ thousands, except per share amounts)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Cash provided by operating activities	**8,175**	40,879	**18,094**	51,412
Adjusted funds flow [(1)]	**4,633**	22,513	**17,033**	48,284
Per share - basic	**0.03**	0.15	**0.11**	0.32
- diluted	**0.03**	0.15	**0.11**	0.32
Net (loss) income	**(24,803)**	15,375	**(216,712)**	21,561
Per share - basic	**(0.16)**	0.10	**(1.42)**	0.14
- diluted	**(0.16)**	0.10	**(1.42)**	0.14

Note:
(1) Non-IFRS measure. Adjusted funds flow is calculated as cash provided by operating activities, adding the change in operating non-cash working capital, decommissioning obligations settled and accretion of deferred financing costs on the senior unsecured notes. Adjusted funds flow is used to analyze the Company's operating performance and leverage. Adjusted funds flow does not have a standardized measure prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within this MD&A.

Cash provided by operating activities and adjusted funds flow decreased in both the second quarter and first half of 2020, predominantly due to lower petroleum and natural gas sales as compared to the same periods in 2019. This resulted in a net loss during these periods as compared to net income in the same periods in 2019. In addition, for the first half of 2020, the Company's net loss was amplified by the after-tax impairment charge in the first quarter of 2020.

Capital Expenditures, Property Acquisitions and Dispositions

($ thousands)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Land	**785**	843	**1,442**	1,565
Seismic	**292**	351	**537**	654
Drilling and completions	**2,673**	7,764	**13,448**	56,805
Facilities, equipment and pipelines	**892**	3,342	**5,841**	6,710
Other	**706**	1,697	**2,109**	3,504
Total exploration and development	**5,348**	13,997	**23,377**	69,238
Net property dispositions	**44**	(3,249)	**(34,896)**	(19,173)
Total	**5,392**	10,748	**(11,519)**	50,065

In the second quarter of 2020, the Company spent a total of $5.3 million on exploration and development expenditures. During the quarter, $2.7 million was spent on drilling and completion activities, including initial activities for the drilling of a multi-well pad in Greater Septimus and the completion of two (2.0 net) heavy crude oil wells drilled in the first quarter. The Company spent $0.9 million on well sites, facilities and pipelines and $1.8 million on land, seismic and other miscellaneous items.

LIQUIDITY AND CAPITAL RESOURCES

Risks and Uncertainties

The emergence of COVID-19 has resulted in emergency actions by governments worldwide, which has had an effect in all of the Company's operating jurisdictions. The actions taken by these governments have typically included, but is not limited to travel bans, mandatory and self-imposed quarantines and isolations, social distancing, and the closing of non-essential businesses which has had significant negative effects on economies, including a substantial decline in crude oil and natural gas demand.

The full extent of the risks surrounding the severity and timing of the COVID-19 pandemic is continually evolving and is not fully known at this time. Therefore, there is significant risk and uncertainty which may have a material and adverse effect on the Company's operations. The following risks disclosed in the Company's Annual Information Form for the year ended December 31, 2019 may, without limitation, be exacerbated as a result of the COVID-19 pandemic: declines in oil, NGL and natural gas prices; variations in interest rates and foreign exchange rates; stock market volatility; uncertainties relating to market valuations; refinancing risk for existing debt and debt service costs; access to external sources of capital; risks associated with the Company's hedging activities; third party credit risk; government regulation and control and changes in governmental legislation; changes in income tax laws, royalty rates and other incentive programs; risks associated with acquiring, developing and exploring for oil, NGL and natural gas and other aspects of the Company's operations; expansion of the Company's activities; closings of previously announced infrastructure transactions in the fourth quarter; the failure to realize anticipated benefits of acquisitions and dispositions or to manage growth; and risks of non-cash losses as a result of the application of accounting policies.

Working Capital

The capital intensive nature of Crew's activities generally results in the Company carrying a working capital deficiency. Working capital includes cash and cash equivalents and accounts receivable less accounts payable and accrued liabilities. Included in the working capital deficiency is a receivable of $2.5 million for a Government of British Columbia infrastructure credit earned through the completion of a pipeline connecting the West Septimus processing facility to the TC Energy Saturn meter station. The collection of the credits is realized through the reduction of future royalties payable.

The Company ensures that sufficient drawings are available on its Facility to satisfy working capital requirements. At June 30, 2020, the Company's working capital deficiency of $7.4 million, when combined with the drawings on its bank loan, represented drawings of 29% on its $150 million Facility described below.

Capital Funding

Bank Loan

As at June 30, 2020, the Company's revised bank facility consists of a revolving line of credit of $125 million and an operating line of credit of $25 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 4, 2021. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. The Facility requires the Company to maintain a Liability Management Rating ("LMR") of greater than 1.2:1 in the provinces of Alberta and Saskatchewan, and greater than 2.0:1 in the province of British Columbia, if the uninflated, undiscounted abandonment and reclamation liabilities ("Decommissioning Obligations"), as determined by the individual province, is greater than $20 million. If the LMR falls below the required level in any province, the lenders have the option to re-determine the Borrowing Base. As at June 30, 2020, the Company's Decommissioning Obligations exceeded $20 million in the provinces of Alberta and British Columbia, which carried an LMR of 1.7:1 and 7.7:1, respectively. 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 October 31, 2020. 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.

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

Year(1)	Percentage
2020	103.250%
2021	102.145%
2022	101.040%
2023 and thereafter	100.000%

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

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

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

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at August 6, 2020, there were 156,425,859 common shares of the Company issued and outstanding, which includes 3,845,257 shares held in trust for the potential future settlement of awards issued under the Company's Restricted and Performance Award Incentive Plan. In addition, there were 3,909,112 restricted awards and 4,545,251 performance awards outstanding.

Related-Party and Off-Balance-Sheet Transactions

Crew was not involved in any off-balance-sheet transactions or related party transactions during the quarter ended June 30, 2020.

Capital Structure

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 future growth of the Company. Crew monitors its capital structure and makes adjustments on an ongoing basis in order to maintain the flexibility needed to achieve the Company's long-term objectives. To manage its capital structure, the Company may adjust capital spending, hedge future revenue through commodity contracts, issue new equity, issue new debt or repay existing debt through asset sales.

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, processing agreements, right of way agreements and lease obligations for office space. All such contractual obligations reflect market conditions prevailing at the time of contract and none are with related parties. The Company believes it has adequate sources of capital to fund all contractual obligations as they come due. The following table lists the Company's obligations with a fixed term.

($ thousands)	Total	2020	2021	2022	2023	2024	Thereafter
Bank loan (note 1)	35,466	-	-	35,466	-	-	-
Senior unsecured notes (note 2)	300,000	-	-	-	-	300,000	-
Lease obligations	3,091	-	-	244	731	731	1,385
Firm transportation agreements	206,592	22,554	36,721	30,280	25,646	25,225	66,166
Firm processing agreements	148,357	9,158	15,536	15,536	15,536	15,570	77,021
Total	**693,506**	**31,712**	**52,257**	**81,526**	**41,913**	**341,526**	**144,572**

Note 1 – Based on the existing terms of the Company's Facility, the first possible repayment date may come in 2022. However, it is expected that the Facility will be extended and no repayment will be required in the near term.

Note 2 – Matures on March 14, 2024.

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

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

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

GUIDANCE

To support a second half 2020 natural gas drilling program planned to improve leverage metrics and maintain 2021 production levels and unit costs comparable with 2020, Crew has proactively hedged natural gas and condensate volumes in 2021 at attractive prices. The Company's decision to increase planned investment in the last half of 2020, including the drilling and completion of a seven-well pad at West Septimus, along with associated infrastructure, was supported by:

- Crew's strong liquidity position;
- Focus on improving leverage metrics;
- Reduced drilling and completion costs;
- Ability to add natural gas volumes into a low variable cost structure;
- Sustainability improving as base decline rates decrease in Greater Septimus, a function of maturing production and the adoption of extended-reach horizontal wells;
- Timing of our capital investment to bring new production volumes on-stream into higher priced markets;
- Access to, and takeaway capacity on, multiple natural gas takeaway pipelines providing flexibility to direct sales to the highest priced markets; and
- Strong projected returns.

Drilling of the first of seven wells commenced in late July, with production from all seven wells anticipated to come on-stream by the first quarter of 2021. With the new pad development, the Company's annual exploration and development expenditure budget range has been increased to $75 to $85 million ($17 to $27 million net of dispositions), with third quarter 2020 capital spending projected to be $20 to $25 million and third quarter 2020 average production forecasted to be 18,000 to 19,000 boe per day, reflecting an anticipated ten day turnaround at our Septimus processing facility and a 30 day turnaround at the McMahon gas processing facility. The Company is forecasting fourth quarter average production of 19,500 to 20,500 boe per day and is pleased to maintain its annual average production guidance of 20,000 to 22,000 boe per day.

ADDITIONAL DISCLOSURES

Quarterly Analysis

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

($ thousands, except per share amounts)	**June 30 2020**	Mar. 31 2020	Dec. 31 2019	Sep. 30 2019	June 30 2019	Mar. 31 2019	Dec. 31 2018	Sep. 30 2018
Total daily production (boe/d)	**22,074**	23,894	22,446	22,824	22,865	23,222	22,383	23,680
Exploration and development expenditures	**5,348**	18,029	26,390	18,466	13,997	55,241	33,174	23,656
Net property (dispositions)/acquisitions	**44**	(34,940)	82	7	(3,249)	(15,924)	175	9
Average wellhead price ($/boe)	**12.39**	17.52	21.76	19.81	24.77	26.53	24.69	24.82
Petroleum and natural gas sales	**24,889**	38,094	44,941	41,597	51,543	55,451	50,838	54,080
Cash provided by operations	**8,175**	9,919	21,106	8,877	40,879	10,533	22,878	19,095
Adjusted funds flow (note 1)	**4,633**	12,400	16,086	16,664	22,513	25,771	23,712	20,107
Per share – basic	**0.03**	0.08	0.11	0.11	0.15	0.17	0.16	0.13
– diluted	**0.03**	0.08	0.11	0.11	0.15	0.17	0.16	0.13
Net (loss) income	**(24,803)**	(191,909)	(6,235)	(3,255)	15,375	6,186	18,771	(939)
Per share – basic	**(0.16)**	(1.27)	(0.04)	(0.02)	0.10	0.04	0.12	(0.01)
– diluted	**(0.16)**	(1.27)	(0.04)	(0.02)	0.10	0.04	0.12	(0.01)

Note 1 – Non-IFRS measure. See "Non-IFRS Measures" contained within this MD&A.

The Company has been reducing capital spending since 2017, due to weakening Canadian natural gas prices over the past three years. As a result, the Company's net capital expenditures, after proceeds from acquisitions and dispositions, have approximated adjusted funds flow over this period, effectively maintaining production at a consistent level.

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

The global outbreak of COVID-19 in early 2020 and subsequent measures intended to limit the pandemic contributed to significant volatility in the global financial markets. The pandemic has adversely impacted global commercial activity and has significantly reduced worldwide demand for commodities including crude oil, natural gas and ngl. The result has been significant volatility and a decline in the near and medium term price for these commodities. 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.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's internal controls over financial reporting that occurred during the period beginning on April 1, 2020 and ended on June 30, 2020 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.

Dated as of August 6, 2020

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (thousands)	**June 30, 2020**	December 31, 2019
Assets		
Current Assets:		
Accounts receivable	**$ 15,823**	$ 26,994
Derivative financial instruments (note 4)	**7,824**	3,180
Assets held for sale	**-**	19,845
	23,647	50,019
Derivative financial instruments (note 4)	**223**	-
Property, plant and equipment (note 5)	**1,123,553**	1,401,628
	$ 1,147,423	$ 1,451,647
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 23,203**	$ 45,949
Liabilities associated with assets held for sale	**-**	741
	23,203	46,690
Bank loan (note 7)	**35,466**	52,136
Senior unsecured notes (note 8)	**296,360**	295,868
Lease obligations (note 9)	**2,760**	2,708
Decommissioning obligations (note 10)	**90,437**	87,024
Deferred tax liability	**-**	53,563
Shareholders' Equity		
Share capital (note 11)	**1,483,548**	1,478,294
Contributed surplus	**68,641**	71,644
Deficit	**(852,992)**	(636,280)
	699,197	913,658
Subsequent event (note 4)		
Commitments (note 14)		
	$ 1,147,423	$ 1,451,647

See accompanying notes to the condensed interim consolidated financial statements.

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

(unaudited) (thousands, except per share amounts)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Revenue				
Petroleum and natural gas sales (note 12)	**$ 24,889**	$ 51,543	**$ 62,983**	$ 106,994
Royalties	**(918)**	(3,692)	**(3,082)**	(7,556)
Realized gain (loss) on derivative financial instruments	**6,712**	(325)	**10,512**	(2,162)
Unrealized (loss) gain on derivative financial instruments	**(9,472)**	9,178	**4,867**	(1,702)
Other revenue (note 12)	**80**	3,347	**952**	7,587
	21,291	60,051	**76,232**	103,161
Expenses				
Operating	**12,005**	13,285	**25,119**	27,240
Transportation	**6,868**	6,268	**13,839**	10,985
Marketing	**-**	-	**-**	414
General and administrative	**1,530**	2,898	**4,028**	6,044
Share-based compensation	**560**	1,230	**1,478**	3,064
Depletion and depreciation (note 5)	**18,683**	18,284	**38,197**	38,112
	39,646	41,965	**82,661**	85,859
(Loss) income from operations	**(18,355)**	18,086	**(6,429)**	17,302
Financing (note 13)	**6,110**	6,403	**12,112**	12,869
Impairment on property, plant and equipment (note 6)	**-**	-	**267,334**	-
Loss (gain) on divestiture of property, plant and equipment (note 5)	**338**	(3,057)	**(15,600)**	(19,846)
(Loss) income before income taxes	**(24,803)**	14,740	**(270,275)**	24,279
Deferred tax (recovery) expense	**-**	(635)	**(53,563)**	2,718
Net (loss) income and comprehensive (loss) income	**$ (24,803)**	$ 15,375	**$ (216,712)**	$ 21,561
Net (loss) income per share (note 11)				
Basic	**$ (0.16)**	$ 0.10	**$ (1.42)**	$ 0.14
Diluted	**$ (0.16)**	$ 0.10	**$ (1.42)**	$ 0.14

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited) (thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2020	151,534	$ 1,478,294	$ 71,644	$ (636,280)	$ 913,658
Net loss for the period	-	-	-	(216,712)	(216,712)
Share-based compensation expensed	-	-	1,478	-	1,478
Share-based compensation capitalized	-	-	1,442	-	1,442
Issued from treasury on vesting of share awards	154	3,606	(4,025)	-	(419)
Released from trust on vesting of share awards	2,408	1,898	(1,898)	-	-
Purchase of shares held in trust (note 11)	(1,015)	(250)	-	-	(250)
Balance, June 30, 2020	**153,081**	**$ 1,483,548**	**$ 68,641**	**$ (852,992)**	**$ 699,197**

(unaudited) (thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2019	151,730	$ 1,468,986	$ 75,715	$ (648,351)	$ 896,350
Net income for the period	-	-	-	21,561	21,561
Share-based compensation expensed	-	-	3,064	-	3,064
Share-based compensation capitalized	-	-	2,797	-	2,797
Issued from treasury on vesting of share awards	4,484	13,953	(13,953)	-	-
Released from trust on vesting of share awards	26	61	(61)	-	-
Purchase of shares held in trust (note 11)	(4,208)	(4,579)	-	-	(4,579)
Balance, June 30, 2019	**152,032**	**$ 1,478,421**	**$ 67,562**	**$ (626,790)**	**$ 919,193**

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands)	**Three months ended June 30, 2020**	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Cash provided by (used in):				
Operating activities:				
Net (loss) income	**$ (24,803)**	$ 15,375	**$ (216,712)**	$ 21,561
Adjustments:				
Unrealized loss (gain) on derivative financial instruments	**9,472**	(9,178)	**(4,867)**	1,702
Share-based compensation	**560**	1,230	**1,478**	3,064
Depletion and depreciation (note 5)	**18,683**	18,284	**38,197**	38,112
Financing expenses (note 13)	**6,110**	6,403	**12,112**	12,869
Interest expense (note 13)	**(5,480)**	(5,663)	**(10,854)**	(11,405)
Impairment on property, plant and equipment (note 6)	**-**	-	**267,334**	-
Loss (gain) on divestiture of property, plant and equipment (note 5)	**338**	(3,057)	**(15,600)**	(19,846)
Deferred tax (recovery) expense	**-**	(635)	**(53,563)**	2,718
Decommissioning obligations settled (note 10)	**(101)**	(853)	**(182)**	(2,617)
Change in non-cash working capital	**3,396**	18,973	**751**	5,254
	8,175	40,879	**18,094**	51,412
Financing activities:				
Increase (decrease) in bank loan	**4,417**	8,333	**(16,670)**	(11,506)
Payments on lease obligations (note 9)	**(47)**	(269)	**(238)**	(537)
Shares purchased and held in trust (note 11)	**(250)**	(2,579)	**(250)**	(4,579)
Settlement of restricted and performance awards (note 11)	**(419)**	-	**(419)**	-
	3,701	5,485	**(17,577)**	(16,622)
Investing activities:				
Property, plant and equipment expenditures (note 5)	**(5,348)**	(13,997)	**(23,377)**	(69,238)
Property acquisitions (note 5)	**(51)**	-	**(55)**	(1,576)
Property dispositions (note 5)	**7**	3,249	**34,951**	20,749
Change in non-cash working capital	**(6,484)**	(35,616)	**(12,036)**	15,275
	(11,876)	(46,364)	**(517)**	(34,790)
Change in cash and cash equivalents	**-**	-	**-**	-
Cash and cash equivalents, beginning of period	**-**	-	**-**	-
Cash and cash equivalents, end of period	**$ -**	$ -	**$ -**	$ -

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2020 and 2019

(Unaudited) (Tabular amounts in thousands)

1. Reporting entity:

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

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards ("IFRS"). The financial statements use the accounting policies which the Company applied in its annual consolidated financial statements for the year ended December 31, 2019. The financial statements do not include certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted. These financial statements are presented in Canadian dollars ("CDN"), which is the functional currency of the Company, its subsidiary and partnerships.

The financial statements were authorized for issuance by Crew's Board of Directors on August 6, 2020.

(b) Government grants accounting policy:

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 expense item, it is recognized as a reduction of the related expense item in the period in which the 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.

3. COVID-19 estimation uncertainty:

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus ("COVID-19"). The outbreak and subsequent measures intended to limit the pandemic contributed to significant volatility in global financial markets. The pandemic has adversely impacted global commercial activity and has significantly reduced worldwide demand for commodities including crude oil, natural gas and natural gas liquids ("ngl"). The result has been significant volatility and a decline in the near and medium term price for these commodities.

The full extent of the impact of COVID-19 on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact. The outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by Management in the preparation of its financial results.

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

The COVID-19 pandemic is an evolving situation that will continue to have widespread implications for the Company's business environment, operations and financial condition. Management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Company's financial statements in fiscal 2020 and beyond.

A full list of the key sources of estimation uncertainty can be found in the Company's annual consolidated financial statements for the year ended December 31, 2019. The outbreak and current market conditions have increased the complexity of estimates and assumptions used to prepare the financial statements, particularly related to the following key sources of estimation uncertainty:

Recoverable Amounts

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

Decommissioning Costs

Provisions are recorded for the future decommissioning and restoration of the Company's production facilities, wells and pipelines at the end of their economic lives. The Company assesses the existence and then estimates the future liability. Market volatility at June 30, 2020 increased the measurement uncertainty inherent in determining the appropriate discount rate that is used in the estimation of decommissioning liabilities.

Income Tax Provisions

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

Accounts Receivable

The Company has increased its monitoring of receivables due from petroleum and natural gas marketers and from joint venture partners to manage credit risk. The Company historically has not experienced any collection issues with petroleum and natural gas marketers as a significant portion of these receivables are with creditworthy purchasers. To protect against credit losses from joint venture partners, the Company has the ability to withhold production in the event of non-payment and the ability to obtain the partners' share of capital expenditures in advance of a project. The Company continues to expect that its receivables are substantially collectible at June 30, 2020.

4. Financial risk management:

Derivative contracts:

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

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

At June 30, 2020, the Company held derivative commodity contracts as follows:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded	Fair Value
Gas	10,000 mmbtu/day	July 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Monthly	$3.34/mmbtu	Swap	$ 1,282
Gas	2,500 mmbtu/day	July 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Daily	$3.23/mmbtu	Swap	286
Gas	2,500 mmbtu/day	July 1, 2020 – December 31, 2020	US$ Nymex Henry Hub	$2.48/mmbtu	Swap	201
Gas	2,500 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Monthly	$3.17/mmbtu	Swap	(194)
Gas	10,000 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Daily	$3.27/mmbtu	Swap	(387)
Gas	15,000 gj/day	January 1, 2021 – March 31, 2021	AECO C Daily Index	$2.54/gj	Swap	183
Gas	15,000 gj/day	January 1, 2021 – March 31, 2021	AECO C Monthly Index	$2.53/gj	Swap	173
Gas	11,500 gj/day	April 1, 2021 – June 30, 2021	AECO C Daily Index	$2.12/gj	Swap	114
Gas	11,500 gj/day	April 1, 2021 – June 30, 2021	AECO C Monthly Index	$2.12/gj	Swap	111
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Daily Index	$2.35/gj	Swap	154
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Monthly Index	$2.05/gj	Swap	(4)
Gas	10,000 gj/day	July 1, 2021 – September 30, 2021	AECO C Daily Index	$2.18/gj	Swap	104
Gas	10,000 gj/day	July 1, 2021 – September 30, 2021	AECO C Monthly Index	$2.19/gj	Swap	104
Gas	8,500 gj/day	October 1, 2021 – December 31, 2021	AECO C Daily Index	$2.40/gj	Swap	60
Gas	9,000 gj/day	October 1, 2021 – December 31, 2021	AECO C Monthly Index	$2.40/gj	Swap	63
Oil	250 bbl/day	July 1, 2020 – September 30, 2020	USD$ WCS – WTI Differential	($16.00)/bbl	Swap	(104)
Oil	1,000 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WTI	$77.65/bbl	Swap	4,400
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WTI	$76.00/bbl	Swap	1,025
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	USD$ WCS – WTI Differential	($15.60)/bbl	Swap	(198)
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WCS	$51.50/bbl	Swap	674
Total						**$ 8,047**

Subsequent to June 30, 2020, the Company entered into the following commodity contracts:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded
Gas	5,000 gj/day	January 1, 2021 – March 31, 2021	AECO C Daily Index	$2.45/gj	Swap
Gas	2,500 gj/day	April 1, 2021 – June 30, 2021	AECO C Daily Index	$2.11/gj	Swap
Gas	1,500 gj/day	July 1, 2021 – September 30, 2021	AECO C Daily Index	$2.18/gj	Swap
Gas	1,500 gj/day	October 1, 2021 – December 31, 2021	AECO C Daily Index	$2.39/gj	Swap
Oil	250 bbl/day	October 1, 2020 – December 31, 2020	USD$ WCS – WTI Differential	($13.25)/bbl	Swap
Oil	500 bbl/day	January 1, 2021 – June 30, 2021	CDN$ Edmonton C5 Blended Index	$53.63/bbl	Swap

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable, derivative financial instruments, the bank loan, the senior unsecured notes and lease obligations. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period. Accounts payable and derivative financial instruments generally have contractual maturities of less than one year. The Company maintains a revolving credit facility, as outlined in note 7, which is subject to annual renewal by the lenders and has a contractual maturity in 2022 if not extended. In addition, the Company issued $300 million in senior unsecured notes in 2017 that mature in 2024, as discussed in note 8.

The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures. The Company does not pay dividends.

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 future growth of the Company. Crew monitors its capital structure and makes adjustments on an ongoing basis in order to maintain the flexibility needed to achieve the Company's long-term objectives. To manage its capital structure, the Company may adjust capital spending, hedge future revenue through commodity contracts, issue new equity, issue new debt or repay existing debt through asset sales.

With only 24% drawn on the Company's $150 million Facility and the senior unsecured notes termed out to 2024, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations. The Company will continue to monitor debt levels and, if necessary, it will consider divesting of non-core properties, will further adjust its annual capital expenditure program or may consider other forms of financing to improve its financial position.

Net debt:

The Company closely monitors its capital structure with a goal of maintaining a strong financial position in order to fund current operations and the future growth of the Company. Crew monitors net debt as part of its capital structure.

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

		June 30, 2020		December 31, 2019
Current assets	**$**	**23,647**	$	50,019
Current liabilities		**(23,203)**		(46,690)
Derivative financial instruments		**(7,824)**		(3,180)
Working capital (deficiency) surplus	**$**	**(7,380)**	$	149
Bank loan		**(35,466)**		(52,136)
Senior unsecured notes		**(296,360)**		(295,868)
Net debt	**$**	**(339,206)**	$	(347,855)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Facility is subject to a semi-annual review of the Borrowing Base which is directly impacted by the value of the oil and natural gas reserves (Bank loan – note 7).

Funds from operations and adjusted funds flow:

One of the benchmarks Crew uses to evaluate its performance is funds from operations and adjusted funds flow. Funds from operations represents cash provided by operating activities before changes in operating non-cash working capital and accretion of deferred financing costs. Adjusted funds flow represents funds from operations before decommissioning obligations settled. The Company considers these metrics as key measures that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. Management believes that such measures provide an insightful assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and actual settlements of decommissioning obligations, the timing of which is discretionary.

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Cash provided by operating activities	**$ 8,175**	$ 40,879	**$ 18,094**	$ 51,412
Change in operating non-cash working capital	**(3,396)**	(18,973)	**(751)**	(5,254)
Accretion of deferred financing costs	**(247)**	(246)	**(492)**	(491)
Funds from operations	**$ 4,532**	$ 21,660	**$ 16,851**	$ 45,667
Decommissioning obligations settled	**101**	853	**182**	2,617
Adjusted funds flow	**$ 4,633**	$ 22,513	**$ 17,033**	$ 48,284

5. Property, plant and equipment:

Cost		Total
Balance, January 1, 2019	$	2,523,981
Additions		114,094
Acquisitions		1,570
Increase in right-of-use assets		3,974
Transfer to assets held for sale		(21,824)
Divestitures		(1,300)
Change in decommissioning obligations		686
Capitalized share-based compensation		4,897
Balance, December 31, 2019	$	2,626,078
Additions		23,377
Acquisitions		55
Divestitures		(1,350)
Change in decommissioning obligations		3,326
Capitalized share-based compensation		1,442
Balance, June 30, 2020	**$**	**2,652,928**

Accumulated depletion and depreciation		Total
Balance, January 1, 2019	$	1,150,962
Depletion and depreciation expense		75,776
Divestitures		(309)
Transfer to assets held for sale		(1,979)
Balance, December 31, 2019	$	1,224,450
Depletion and depreciation expense		38,197
Divestitures		(606)
Impairment		267,334
Balance, June 30, 2020	**$**	**1,529,375**

Net book value		Total
Balance, June 30, 2020	**$**	**1,123,553**
Balance, December 31, 2019	$	1,401,628

The calculation of depletion and depreciation expense for the three months ended June 30, 2020 included estimated future development costs of $1,785.1 million (December 31, 2019 - $1,787.2 million) associated with the development of the Company's proved plus probable reserves and excludes salvage value of $69.4 million (December 31, 2019 - $70.6 million) and undeveloped land of $152.4 million (December 31, 2019 - $155.7 million) related to future development acreage with no associated reserves.

Included in depletion and depreciation expense for the six months ended June 30, 2020, is $0.2 million (December 31, 2019 - $0.9 million) related to the right-of-use assets for the Company's leases. As at June 30, 2020, the net book value of these right-of-use assets is $2.8 million (December 31, 2019 - $3.0 million).

During the first quarter of 2020, the Company disposed of an 11% net working interest in each of its Septimus gas processing facility and West Septimus gas processing facility located in Northeast British Columbia for net proceeds of $34.8 million, after transaction costs. These facilities were classified as held for sale as at December 31, 2019, with a net book value of $19.8 million and associated decommissioning obligations of $0.7 million, resulting in a gain of $15.7 million.

6. Impairment:

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Impairment losses:				
property, plant and equipment	**$ -**	**$ -**	**$ 267,334**	**$ -**
	$ -	**$ -**	**$ 267,334**	**$ -**

There were no indicators of impairment or impairment reversal for the Company's CGUs as at June 30, 2020, and therefore an impairment test was not performed. The Company performed impairment tests and recorded impairment charges in the first quarter of 2020 as detailed below.

Assessment:

At March 31, 2020, the Company determined that indicators of impairment existed as a result of; the COVID-19 outbreak and its impact on global commodity demand due to the measures taken to limit the spread of the pandemic, the rapid fall in crude oil prices due to increased supply brought on by a price war between OPEC and non-OPEC members, and the impact that these events had on the Company's equity and debt values. As a result, the Company tested its northeast British Columbia CGU and Lloydminster CGU for impairment. It was determined that the carrying value of the northeast British Columbia CGU and Lloydminster CGU exceeded their recoverable amounts and impairment charges of $237.5 million and $29.8 million, respectively, were recorded for the CGUs.

For the purpose of impairment testing, the recoverable amount of the Company's CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is generally the future cash flows expected to be derived from production of proven and probable reserves estimated by the Company's third party reserve evaluators and the internally estimated future cash flows of undeveloped lands. At March 31, 2020, the Company used value in use, discounted at pre-tax rates between 10% and 30% (December 31, 2019 – 10% and 30%) dependent on the risk profile of the reserve category and CGU.

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

The following estimates were used in determining whether an impairment or reversal to the carrying value of the CGU existed at March 31, 2020:

	WTI Oil (US$/bbl)(1)	WCS ($CDN/bbl)(1)	AECO Gas ($CDN/mmbtu)(1)	$US/$CDN)(1)
2020	30.00	20.13	1.78	0.70
2021	41.18	34.78	2.23	0.73
2022	49.88	45.91	2.42	0.75
2023	55.87	52.70	2.54	0.75
2024	57.98	55.26	2.61	0.75
2025	59.22	56.63	2.69	0.75
2026	60.40	57.86	2.75	0.75
2027	61.60	59.10	2.81	0.75
2028	62.84	60.38	2.87	0.75
2029	64.10	61.68	2.93	0.75
Remainder	+2.0%/yr	+2.0%/yr	+2.0%/yr	0.75 thereafter

(1) Source: 4 Consultants' average, GLJ Petroleum Consultants, McDaniel & Associates Consultants, Sproule Associates and Deloitte Resource Evaluation & Advisory price forecasts, effective April 1, 2020.

The external reserve evaluators also assess many other financial assumptions regarding royalty rates, operating costs and future development costs along with several other non-financial assumptions that affect reserve volumes. Management considered these assumptions for the impairment test at March 31, 2020, however, it should be noted that all estimates are subject to uncertainty.

The sensitivity analysis below shows the impact that a change in the discount rate or forward commodity prices would have on impairment testing for each CGU as at March 31, 2020:

	Discount Rate		Pricing	
	1% decrease	1% increase	5% decrease	5% increase
Increase (decrease) to impairment recorded	62,939	(72,896)	(106,192)	87,673

7. Bank loan:

As at June 30, 2020, the Company's revised bank facility consists of a revolving line of credit of $125 million and an operating line of credit of $25 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 4, 2021. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. The Facility requires the Company to maintain a Liability Management Rating ("LMR") of greater than 1.2:1 in the provinces of Alberta and Saskatchewan, and greater than 2.0:1 in the province of British Columbia, if the uninflated, undiscounted abandonment and reclamation liabilities ("Decommissioning Obligations"), as determined by the individual province, is greater than $20 million. If the LMR falls below the required level in any province, the lenders have the option to re-determine the Borrowing Base. As at June 30, 2020, the Company's Decommissioning Obligations exceeded $20 million in the provinces of Alberta and British Columbia, which carried an LMR of 1.7:1 and 7.7:1, respectively. 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 October 31, 2020. 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 June 30, 2020, 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 June 30, 2020, the Company had issued letters of credit totaling $12.1 million (December 31, 2019 - $11.4 million).

8. Senior unsecured notes:

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

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

Year(1)	Percentage
2020	103.250%
2021	102.145%
2022	101.040%
2023 and thereafter	100.000%

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

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

At June 30, 2020, the carrying value of the 2024 Notes was net of deferred financing costs of $3.6 million (December 31, 2019 – $4.1 million).

9. Lease obligations:

	As at June 30, 2020	As at December 31, 2019
Less than 1 year	**$ -**	$ 290
1 – 3 years	**609**	244
After 3 years	**2,482**	2,847
Total undiscounted future lease payments	**$ 3,091**	$ 3,381
Total undiscounted future interest payments	**(434)**	(485)
Present value of lease obligations	**$ 2,657**	$ 2,896
Current portion of lease obligations, included in accounts payable and accrued liabilities	**103**	(188)
Long-term portion of lease obligations	**$ 2,760**	$ 2,708

	Six months ended June 30, 2020	Year ended December 31, 2019
Principal payments	**$ 238**	$ 1,071
Interest payments	**51**	100
Total cash outflow	**$ 289**	$ 1,171

The Company's total undiscounted future lease payments of $3.1 million equate to future operating lease obligations and excludes commitments for firm transportation and processing agreements, as disclosed in note 14, as they do not meet the definition of a lease as the Company does not control the asset or receive substantially all of the asset's economic benefits.

10. Decommissioning obligations:

	Six months ended June 30, 2020	Year ended December 31, 2019
Decommissioning obligations, beginning of period	**$ 87,024**	$ 89,448
Obligations incurred	**504**	3,481
Obligations settled	**(182)**	(3,919)
Obligations divested	**(497)**	(351)
Change in estimated future cash outflows	**2,822**	(2,795)
Accretion of decommissioning obligations	**766**	1,901
Transferred to liabilities associated with assets held for sale	**-**	(741)
Decommissioning obligations, end of period	**$ 90,437**	$ 87,024

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 $90.4 million as at June 30, 2020 (December 31, 2019 – $87.0 million) based on an inflation adjusted undiscounted total future liability of $102.1 million (December 31, 2019 – $110.1 million). These payments are expected to be made over the next 40 years, with the majority of costs to be incurred between 2024 and 2038. The inflation rate applied to the liability is 0.99% (December 31, 2019 – 1.35%). The discount factor, being the risk-free rate related to the liability, is 0.99% (December 31, 2019 – 1.76%). The $2.8 million (December 31, 2019 – $2.8 million) change in estimated future cash outflows for the six months ended June 30, 2020 is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

11. Share capital:

At June 30, 2020, the Company was authorized to issue an unlimited number of common shares with the holders of common shares entitled to one vote per share.

Restricted and performance award incentive plan:

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

Subject to terms and conditions of the RPAP, each RA and PA entitles the holder to an award value to be typically paid as to one-third on each of the first, second and third anniversaries of the date of grant. For the purpose of calculating share-based compensation, the fair value of each award is determined at the grant date using the closing price of the common shares. In the case of PAs, the award value is adjusted for a payout multiplier which can range from 0.0 to 2.0 and is dependent on the performance of the Company relative to pre-defined corporate performance measures for a particular period. On the vesting dates, the Company has the option of settling the award value in cash or common shares of the Company.

Subsequent to May 21, 2018, being the third anniversary from the date the Company last obtained approval from shareholders for the continued issuance of common shares from treasury under the RPAP, the Company is no longer eligible to issue common shares from treasury to settle the award value of any newly granted RAs and PAs. The Company remains eligible to settle the award value for any such grants either in cash or in common shares acquired by an independent trustee in the open market for such purposes. Common shares acquired in the open market are held in trust for the potential future settlement of award values and are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the six months ended June 30, 2020, the trustee purchased 1,015,000 common shares for a total cost of $0.3 million and as at June 30, 2020, the trustee holds 3,345,000 common shares in trust.

Upon the vesting of 1,663,000 RAs and 1,824,000 PAs, when taking into account the earned multipliers for PAs, 154,000 common shares of the Company were issued from treasury, 2,408,000 common shares were released from trust and $0.4 million was paid out in settlement of such awards for the six months ended June 30, 2020.

The number of RAs and PAs outstanding are as follows:

	Number of RAs	Number of PAs
Balance, January 1, 2020	3,613	4,172
Granted	2,227	2,359
Vested	(1,663)	(1,824)
Forfeited	(246)	(153)
Balance, June 30, 2020	**3,931**	**4,554**

Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the three month period ended June 30, 2020 was 153,239,000 (June 30, 2019 – 152,721,000) and for the six month period ended June 30, 2020, the weighted average number of shares outstanding was 152,413,000 (June 30, 2019 – 152,208,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the three month period ended June 30, 2020, nil (June 30, 2019 – 71,000) shares were added to the weighted average common shares outstanding to account for the dilution of RAs and PAs and for the six month period ended June 30, 2020, nil (June 30, 2019 – 389,000) shares were added to the weighted average common shares for dilution. For the three month period ended June 30, 2020, there were 8,485,000 (June 30, 2019 – 4,757,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive. For the six month period ended June 30, 2020, there were 8,485,000 (June 30, 2019 – 4,757,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive.

12. Revenue:

Petroleum and natural gas sales:

Crew sells its production pursuant to fixed or variable-price contracts. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under the contracts, the Company is required to deliver a fixed or variable volume of crude oil, condensate, other 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 majority of the Company's natural gas is sold on 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 revenue from contracts with customers:

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Light crude oil	**$ 418**	$ 936	**$ 1,296**	$ 2,176
Heavy crude oil	**1,933**	9,404	**4,721**	15,808
Natural gas liquids	**1,513**	1,398	**2,525**	3,372
Condensate	**5,678**	19,623	**22,343**	34,265
Natural gas	**15,347**	20,182	**32,098**	51,373
	$ 24,889	$ 51,543	**$ 62,983**	$ 106,994

Other revenue:

The following table summarizes the Company's other revenue:

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Marketing revenue	**$ (524)**	$ 2,553	**$ (291)**	$ 5,893
Processing revenue	**604**	794	**1,243**	1,694
	$ 80	$ 3,347	**$ 952**	$ 7,587

13. Financing:

	Three months ended June 30, 2020	Three months ended June 30, 2019	**Six months ended June 30, 2020**	Six months ended June 30, 2019
Interest expense	**$ 5,480**	$ 5,663	**$ 10,854**	$ 11,405
Accretion of deferred financing costs	**247**	246	**492**	491
Accretion of decommissioning obligations	**383**	494	**766**	973
	$ 6,110	$ 6,403	**$ 12,112**	$ 12,869

14. Commitments:

	Total	2020	2021	2022	2023	2024	Thereafter
Firm transportation agreements	$ 206,592	$ 22,554	$ 36,721	$ 30,280	$ 25,646	$ 25,225	$ 66,166
Firm processing agreements	148,357	9,158	15,536	15,536	15,536	15,570	77,021
Total	**$ 354,949**	**$ 31,712**	**$ 52,257**	**$ 45,816**	**$ 41,182**	**$ 40,795**	**$143,187**

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 complex gas processing facilities in northeast British Columbia.

DIRECTORS & OFFICERS

OFFICERS

Dale O. Shwed
President and Chief Executive Officer

John G. Leach, CPA, CA
Executive Vice President and Chief Financial Officer

James Taylor
Chief Operating Officer

Jamie L. Bowman
Senior Vice President, Marketing & Originations

Kurtis Fischer
Vice President, Planning & Development

Paul Dever
Vice President, Government & Stakeholder Relations

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

Mark Miller
Vice President, Land & Negotiations

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Chairman, Independent Director

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Independent Director

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Independent Director

Ryan A. Shay
Independent Director

Dale O. Shwed
President, Crew Energy Inc.

David G. Smith
Independent Director

Corporate Secretary

Michael D. Sandrelli
Partner, Burnet, Duckworth & Palmer LLP

ABBREVIATIONS

bbl barrels
bbl/d barrels per day
bcf billion cubic feet
boe barrels of oil equivalent (6 mcf: 1 bbl)
bopd barrels of oil per day
mboe thousand barrels of oil equivalent (6 mcf: 1 bbl)
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