MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

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

BASIS OF PRESENTATION

Management's discussion and analysis ("MD&A") is the explanation of the financial performance for the period covered by the 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 months period ended June 30, 2022 and 2021. The unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting of the 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, 2021. All figures provided herein and in the June 30, 2022 unaudited condensed interim consolidated financial statements are reported in Canadian dollars ("CDN"). This MD&A is dated August 8, 2022.

RESULTS OF OPERATIONS

Quarterly Overview

The second quarter of 2022 highlighted the strength of Crew's asset base and the success of its two-year strategic plan with another record quarter of production and adjusted funds flow ("AFF"). Production of 35,044 boe per day outperformed the Company's forecast by 10% and was an increase of 5% over the prior quarter. This outperformance was due to the strength of the Septimus ultra condensate rich wells added in Q1 2022 and the continued strong performance of the Groundbirch dry gas wells added in Q4 2021. AFF for the quarter totaled $115 million, a 48% increase over the first quarter of 2022, a result of higher production and improved commodity pricing. This strong financial performance contributed to accelerated deleveraging with net debt declining by $104 million to $288 million and improved net debt to annualized Q2 2022 EBITDA(2) of 0.6 times.

Commodity prices were strong throughout the quarter, a result of the Russia-Ukraine conflict, improved oil and gas fundamentals and the end of the novel coronavirus ("COVID-19") related lock downs and easing restrictions. Crew's second quarter average realized commodity price was $62.16 per boe, a 43% increase over the first quarter of 2022. Oil prices continued to strengthen during the quarter due to crude oil and natural gas embargos imposed on Russian. In addition, global demand continued to grow while OPEC+ nations remained disciplined in returning the limited amount of spare capacity they have available to the market and North American producers continued to return capital to shareholders over funding production growth. Natural gas prices also remained strong during the quarter, as prices benefited from early summer electricity generation demand resulting from higher than normal early summer temperatures in North America. In addition, North American natural gas also benefited from the continued globalization of natural gas pricing through the expanded export of Liquified Natural Gas ('LNG") out of the United States. Global LNG pricing was further enhanced in the first quarter as the Russia-Ukraine conflict brought into question Europe's reliance on Russian supplied natural gas, shifting that reliance to global LNG to refill low storage levels. The Company's combined liquids pricing, including crude oil, condensate and natural gas liquids ("ngl"), increased 15% in the quarter, while Crew's natural gas price increased by 54% as compared to the previous quarter.

Crew's cash costs per boe[(1)] were consistent with the first quarter, in-line with the Company's two-year plan to decrease cash costs per boe[(1)] through increasing production to match committed transportation and processing capacity. Net capital expenditures[(1)] in the second quarter were limited to $7.1 million as the Company focused on strengthening its financial position during this typically low spending quarter.

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.
(2) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Production[(1)]

	Three months ended June 30, 2022	Three months ended March 31, 2022
Crude oil (bbl/d)	**108**	116
Condensate (bbl/d)	**5,570**	3,926
Ngl (bbl/d)	**3,108**	2,856
Natural gas (mcf/d)	**157,547**	159,007
Total (boe/d)	**35,044**	33,399

Notes:
(1) Throughout this MD&A unless otherwise specified, crude oil refers to light, medium and heavy crude oil product type as defined by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. Throughout this MD&A, references to ngls comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately. Throughout this MD&A, references to natural gas comprise all conventional natural gas as defined by NI 51-101.

Production during the second quarter of 2022 increased 5% over the previous quarter as a result of the addition of liquids-rich natural gas wells in the Greater Septimus area brought on-stream in the prior quarter, combined with continued strong production from Groundbirch natural gas and Greater Septimus liquids-rich natural gas wells brought on-stream during the fourth quarter of 2021.

	Three months ended June 30, 2022					Three months ended June 30, 2021				
	Crude oil (bbl/d)	**Condensate (bbl/d)**	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Crude oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	**108**	**5,570**	**3,108**	**157,547**	**35,044**	171	3,019	2,687	117,921	25,531
Lloydminster	**-**	**-**	**-**	**-**	**-**	1,153	-	-	168	1,181
Total	**108**	**5,570**	**3,108**	**157,547**	**35,044**	1,324	3,019	2,687	118,089	26,712

Production during the second quarter of 2022 increased 31% over the same period in 2021 as a result of the successful execution of drilling and completion activities that included the activation of 21 new producing wells in the Greater Septimus and Groundbirch areas. Production increases were partially offset by the disposition of the Lloydminster heavy crude oil operations in the third quarter of 2021.

	Six months ended June 30, 2022					Six months ended June 30, 2021				
	Crude oil (bbl/d)	**Condensate (bbl/d)**	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Crude oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	**112**	**4,752**	**2,982**	**158,273**	**34,225**	163	2,864	2,545	118,701	25,356
Lloydminster	**-**	**-**	**-**	**-**	**-**	1,104	-	-	157	1,130
Total	**112**	**4,752**	**2,982**	**158,273**	**34,225**	1,267	2,864	2,545	118,858	26,486

For the first half of 2022, production increased 29% as compared to the same period in 2021 due to the addition of liquids-rich natural gas wells in the Greater Septimus area and dry gas wells in the Groundbirch area as described above. These increases were partially offset by the disposition of the Lloydminster heavy crude oil operations in the third quarter of 2021.

Petroleum and Natural Gas Sales

	Three months ended June 30, 2022	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Petroleum and natural gas sales[1] ($ thousands)					
Light crude oil	**1,290**	1,120	1,116	**2,410**	2,009
Heavy crude oil	**-**	-	6,299	**-**	11,302
Natural gas liquids	**13,882**	12,521	2,896	**26,403**	5,827
Condensate	**65,933**	41,078	20,699	**107,011**	37,700
Natural gas	**117,134**	75,713	37,540	**192,847**	97,229
Total	**198,239**	130,432	68,550	**328,671**	154,067
Average realized[2]					
Light crude oil price ($/bbl)	**130.66**	107.35	71.65	**118.68**	68.02
Heavy crude oil price ($/bbl)	**-**	-	60.03	**-**	56.54
Natural gas liquids price ($/bbl)	**49.09**	48.72	11.85	**48.91**	12.65
Condensate price ($/bbl)	**130.07**	116.27	75.36	**124.40**	72.72
Natural gas price ($/mcf)	**8.17**	5.29	3.49	**6.73**	4.52
Commodity price ($/boe)	**62.16**	43.39	28.20	**53.06**	32.14
Benchmark pricing					
Light crude oil – WTI (Cdn $/bbl)	**138.44**	119.40	81.09	**128.92**	77.16
Heavy crude oil – WCS (Cdn $/bbl)	**122.11**	101.00	66.94	**111.56**	62.24
Condensate – Condensate @ Edmonton (Cdn $/bbl)	**138.31**	121.67	81.64	**129.99**	77.47
Natural Gas:					
AECO 5A daily index (Cdn $/mcf)	**7.24**	4.74	3.09	**5.99**	3.12
AECO 7A monthly index (Cdn $/mcf)	**6.27**	4.59	2.85	**5.43**	2.89
Alliance 5A (Cdn $/mcf)	**7.87**	4.83	3.24	**6.35**	3.89
Chicago City-Gate at NIT (Cdn $/mcf)	**7.96**	4.36	2.24	**6.16**	6.38
Dawn at NIT (Cdn $/mcf)	**8.18**	4.57	2.40	**6.38**	2.56
Station 2 (Cdn $/mcf)	**6.81**	4.71	3.00	**5.76**	3.04
Natural gas sales portfolio					
AECO	**66%**	65%	36%	**66%**	38%
Alliance	**9%**	10%	22%	**9%**	22%
Chicago City-Gate at NIT	**5%**	5%	-	**5%**	-
Chicago Interstates at ATP	**-**	-	35%	**-**	35%
Dawn at NIT	**5%**	5%	-	**5%**	-
Station 2	**15%**	15%	7%	**15%**	5%

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

Second quarter 2022 compared to first quarter 2022:

In the second quarter of 2022, the Company's petroleum and natural gas sales increased 52% as compared to the previous quarter as a result of a 43% increase in average realized commodity price, the aforementioned 5% increase in production and the enhanced weighting of higher valued condensate sold in the quarter as compared to the first quarter of 2022.

The Company's second quarter average realized light crude oil price increased 22% over the previous quarter, which was higher than the 16% increase in the Company's WTI benchmark price, due to the decline in the differential between realized Canadian crude oil prices and the Company's WTI benchmark. The Company's second quarter average realized condensate price increased 12% over the first quarter of 2022, which was consistent with the 14% increase in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price increased 54% in the second quarter of 2022 as compared to the previous quarter, which approximates the 55% increase in the Company's natural gas sales portfolio weighted benchmark price from the first quarter of 2022.

Second quarter 2022 compared to second quarter 2021:

Second quarter 2022 petroleum and natural gas sales increased 189% as compared to the same period in 2021, as a result of a 120% increase in average realized commodity price, a 31% increase in production and an increase in the weighting of higher valued condensate sold in the quarter. The significant increase in realized wellhead pricing is reflective of the improvement in world commodity prices over the past year as world economies recover from the impact of COVID-19.

The Company's second quarter average realized light crude oil price increased 82% over the second quarter of 2021, which was on par with the Company's WTI benchmark increase of 71%.

Crew's average realized ngl price increased 314% in the second quarter as compared to the same period in 2021, due to significant increases in the value of ngl component pricing across North America and the Company shifting to trucking a larger portion of its ngl volumes to local Canadian markets starting November 1, 2021. This compared to the previous practice of transporting the ngl volumes in the gas stream via the Alliance Pipeline. The Company's second quarter average realized condensate price increased 73% over the same period in 2021, which was slightly higher than the 69% increase in the Condensate at Edmonton benchmark price, mainly due to Crew's product differential relative to the underlying benchmark price.

Crew's average realized natural gas price increased by 134% in the second quarter of 2022 as compared to the same period in 2021, which is directionally consistent with the 145% increase in the Company's natural gas sales portfolio weighted benchmark price.

First half of 2022 compared to first half of 2021:

The first half 2022 petroleum and natural gas sales increased 113% as compared to the same period in 2021, as a result of a 65% increase in realized wellhead pricing, aided by the global commodity price recovery noted above, combined with a 29% increase in production, including an increase in the weighting of higher valued condensate.

The Company's first half realized light crude oil price increased 74% over the first half of 2021, which was higher than the Company's WTI benchmark increase of 67%, largely due to the decline in the differential between realized Canadian crude oil prices and the Company's WTI benchmark.

Crew's ngl realized price increased 287% in the first half of 2022 as compared to the same period in 2021, due to increases in the value of component pricing, in particular large increases in realized butane and pentane pricing across North America combined with the Company's shift to trucking larger portions of its ngl volumes to local Canadian markets starting November 1, 2021. The Company's first half realized condensate price increased 71% over the same period in 2021, which is slightly higher than the 68% increase in the Condensate at Edmonton benchmark price, mainly due to Crew's product differential relative to the underlying benchmark price.

Crew's realized natural gas price increased by 49% in the first six months of 2022 as compared to the same period in 2021, which is consistent with the 51% increase in the Company's natural gas sales portfolio weighted benchmark price.

Royalties

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Royalties	**12,685**	8,371	4,634	**21,056**	9,857
Per boe	**3.98**	2.78	1.91	**3.40**	2.06
Percentage of petroleum and natural gas sales	**6.4%**	6.4%	6.8%	**6.4%**	6.4%

For the second quarter and first half of 2022, royalties and royalties per boe increased over the prior quarter and the same periods in 2021 due to increases in production and commodity pricing.

Derivative Financial Instruments

Commodities

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

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

($ thousands)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Realized loss on derivative financial instruments	**(39,562)**	(15,504)	(8,403)	**(55,066)**	(25,751)
Per boe	**(12.41)**	(5.16)	(3.46)	**(8.89)**	(5.37)
Unrealized gain (loss) on financial instruments	**34,048**	(55,152)	(31,276)	**(21,104)**	(45,669)

As at June 30, 2022, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas – AECO Daily Index:				
35,000 gj/day	July 1, 2022 – September 30, 2022	$3.15/gj	Swap	$ (4,591)
20,000 gj/day	July 1, 2022 - October 31, 2022	$3.04/gj	Swap	(3,836)
25,000 gj/day	July 1, 2022 - December 31, 2022	$2.85/gj	Swap	(8,108)
30,000 gj/day	October 1, 2022 - December 31, 2022	$2.90/gj	Swap	(5,213)
10,000 gj/day	November 1, 2022 - March 31, 2023	$3.68/gj	Swap	(1,854)
12,500 gj/day	January 1, 2023 - March 31, 2023	$5.07/gj	Swap	(193)
2,500 gj/day	January 1, 2023 - December 31, 2023	$4.12/gj	Swap	(200)
12,500 gj/day	April 1, 2023 - June 30, 2023	$3.42/gj	Swap	(602)
12,500 gj/day	July 1, 2023 - September 30, 2023	$3.36/gj	Swap	(606)
12,500 gj/day	October 1, 2023 - December 31, 2023	$3.74/gj	Swap	(598)
Natural Gas – AECO Monthly Index:				
7,500 gj/day	July 1, 2022 - December 31, 2022	$2.36/gj	Swap	(3,510)
10,000 gj/day	July 1, 2022 - September 30, 2022	$2.22/gj	Swap	(2,655)
10,000 gj/day	October 1, 2022 - December 31, 2022	$2.48/gj	Swap	(2,048)
10,000 gj/day	January 1, 2023 - December 31, 2023	$4.00 - $5.18/gj	Collar(1)	456
CDN$ Edmonton C5 Blended Index:				
1,000 bbl/day	July 1, 2022 – December 31, 2022	$97.06/bbl	Swap	(3,961)
Total				**$ (37,519)**

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

Subsequent to June 30, 2022, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
Natural Gas – AECO Daily Index:			
2,500 gj/day	January 1, 2023 - March 31, 2023	$5.82/gj	Swap
5,000 gj/day	January 1, 2023 - December 31, 2023	$5.06/gj	Swap
2,500 gj/day	April 1, 2023 - June 30, 2023	$4.54/gj	Swap
2,500 gj/day	July 1, 2023 - September 30, 2023	$4.36/gj	Swap
2,500 gj/day	October 1, 2023 - December 31, 2023	$4.79/gj	Swap

Net Operating Costs[(1)]

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Operating costs	**12,705**	11,359	12,136	**24,064**	23,675
Processing revenue	**(1,475)**	(830)	(482)	**(2,305)**	(1,036)
Net operating costs[(1)]	**11,230**	10,529	11,654	**21,759**	22,639
Per boe	**3.52**	3.50	4.79	**3.51**	4.72

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Net operating costs per boe for the second quarter and first half of 2022 decreased as compared to the same periods in 2021, as a result of new added production in West Septimus and Groundbirch, which yield lower incremental per unit operating costs. This was coupled with the disposition of the Lloydminster heavy crude oil operations in the third quarter of 2021, where net operating costs per boe were higher than the corporate average.

Transportation Costs

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Transportation costs	**10,623**	9,392	9,971	**20,015**	19,823
Per boe	**3.33**	3.12	4.10	**3.23**	4.13

Transportation costs increased in the second quarter of 2022 as compared to the prior quarter and the second quarter of 2021 as a result of higher trucking charges associated with increased condensate and ngl production. Transportation costs per boe increased in the second quarter of 2022 as compared to the previous quarter due to increased charges from higher volumes of condensate trucked to local Canadian markets. Transportation costs per boe decreased in the second quarter and first half of 2022 as compared to the same periods in 2021 due to increased natural gas production that was transported on existing firm transportation service, eliminating unutilized demand charges, and the November 1, 2021 termination of 45 mmcf per day of firm natural gas transportation service. This decrease was partially offset by higher trucking charges for the Company's increased sale of ngl and condensate volumes.

Operating Netbacks[1]

($/boe)	Greater Septimus	Other NE BC	Three months ended June 30, 2022	Three months ended March 31, 2022	Three months ended June 30, 2021
Petroleum and natural gas sales	**63.08**	**48.48**	**62.16**	43.39	28.20
Royalties	**(3.74)**	**(7.51)**	**(3.98)**	(2.78)	(1.91)
Realized loss on derivative financial instruments	**(12.34)**	**(13.40)**	**(12.41)**	(5.16)	(3.46)
Net operating costs[1]	**(3.23)**	**(7.84)**	**(3.52)**	(3.50)	(4.79)
Transportation costs	**(3.15)**	**(6.09)**	**(3.33)**	(3.12)	(4.10)
Operating netbacks[1]	**40.62**	**13.64**	**38.92**	28.83	13.94
Production (boe/d)	**32,852**	**2,192**	**35,044**	33,399	26,712

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Operating netbacks for the second quarter of 2022 increased by 35% when compared to the first quarter of 2022, primarily as a result of higher petroleum and natural gas sales, partially offset by higher royalties, a higher realized loss on derivative financial instruments and higher transportation costs.

Operating netbacks for the second quarter of 2022 increased 179% over the same period in 2021 as a result of higher petroleum and natural gas sales, lower net operating costs, and lower transportation costs, partially offset by a higher realized loss on derivative financial instruments and higher royalties.

($/boe)	Greater Septimus	Other NE BC	Six months ended June 30, 2022	Six months ended June 30, 2021
Petroleum and natural gas sales	**53.78**	**42.16**	**53.06**	32.14
Royalties	**(3.23)**	**(5.86)**	**(3.40)**	(2.06)
Realized loss on derivative financial instruments	**(8.87)**	**(9.13)**	**(8.89)**	(5.37)
Net operating costs[1]	**(3.24)**	**(7.56)**	**(3.51)**	(4.72)
Transportation costs	**(3.04)**	**(6.07)**	**(3.23)**	(4.13)
Operating netbacks[1]	**35.40**	**13.54**	**34.03**	15.86
Production (boe/d)	**32,080**	**2,145**	**34,225**	26,486

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

Operating netbacks for the first half of 2022 increased by 115% when compared to the same period in 2021, primarily as a result of higher petroleum and natural gas sales, lower net operating costs, and lower transportation costs, partially offset by a higher realized loss on derivative financial instruments and higher royalties.

General and Administrative Costs

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Gross costs	**4,346**	4,612	3,640	**8,958**	7,454
Operators' recoveries	**(17)**	(40)	(57)	**(57)**	(339)
Capitalized costs	**(1,694)**	(1,690)	(1,327)	**(3,384)**	(2,660)
General and administrative expenses	**2,635**	2,882	2,256	**5,517**	4,455
Per boe	**0.83**	0.96	0.93	**0.89**	0.93

Gross general and administrative ("G&A") costs increased in the second quarter and first half of 2022 as compared to the same periods in 2021 due to an increase in staff compensation costs. G&A per boe decreased in the second quarter and first half of 2022 as compared to the previous quarter and same periods in 2021 as a result of an increase in production, partially offset by the aforementioned increase in compensation costs.

Share-Based Compensation

($ thousands)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Gross costs	**3,575**	1,419	1,493	**4,994**	2,605
Capitalized costs	**(1,809)**	(718)	(721)	**(2,527)**	(1,259)
Total share-based compensation	**1,766**	701	772	**2,467**	1,346

In the second quarter and first half of 2022, the Company's total share-based compensation expense increased as compared to the previous quarter and same periods in 2021 as a result of a higher annual grant value for awards granted in April 2022 as compared to 2021.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Depletion and depreciation	**25,822**	24,428	17,605	**50,250**	34,991
Per boe	**8.10**	8.13	7.24	**8.11**	7.30

Depletion and depreciation costs have increased overall as a result of the higher production in the second quarter and first half of 2022 as compared to the previous quarter and same periods in 2021. For the second quarter and first half of 2022, depletion and depreciation costs per boe increased when compared to the same periods in 2021, due to an increase in the capital cost base as a result of the impairment reversal recorded in the third quarter of 2021.

At June 30, 2022, the Company did not identify any indicators of impairment, and therefore, an impairment test was not performed.

Finance Expenses

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Interest on bank loan and other	**1,123**	1,040	994	**2,163**	1,855
Interest on senior notes	**4,862**	4,808	4,862	**9,670**	9,670
Interest on lease obligations	**28**	27	25	**55**	52
Accretion of deferred financing charges	**245**	246	246	**491**	492
Accretion of the decommissioning obligation	**307**	253	440	**560**	702
Total finance expense	**6,565**	6,374	6,567	**12,939**	12,771
Average long-term debt level[(1)]	**358,964**	373,290	360,656	**366,087**	349,849
Average drawings on bank loan[(1)]	**58,964**	73,290	60,656	**66,087**	49,849
Average senior unsecured notes outstanding[(1)]	**300,000**	300,000	300,000	**300,000**	300,000
Effective interest rate on senior unsecured notes	**6.5%**	6.5%	6.5%	**6.5%**	6.5%
Effective interest rate on long-term debt	**6.2%**	6.0%	6.0%	**6.1%**	6.1%
Financing costs on debt per boe[(2)]	**1.95**	2.03	2.51	**1.99**	2.51

Notes:

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

(2) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

The Company's total finance expense and average long-term debt level increased in the first half of 2022 as compared to the same period in 2021, due to increased capital expenditures in 2021 and 2022. The Company's corporate effective interest rate on long-term debt was consistent with the same period in 2021.

Deferred Income Taxes

In the second quarter and first half of 2022, the provision for deferred income taxes was an expense of $32.8 million and $31.7 million, respectively, as compared to a nil provision for deferred income taxes in the same periods of 2021. The deferred tax expense in the second quarter and first half of 2022 was due to net income in the periods, whereas the Company had a net loss in the same periods of 2021.

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

($ thousands, except per share amounts)		**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by operating activities		**117,363**	55,082	24,890	**172,445**	55,337
Adjusted funds flow		**115,274**	77,660	25,530	**192,934**	59,525
Per share[(1)]	-basic	**0.76**	0.51	0.17	**1.27**	0.39
	-diluted	**0.71**	0.48	0.16	**1.19**	0.37
Net income (loss)		**88,695**	(1,377)	(23,138)	**87,318**	(21,785)
Per share	-basic	**0.58**	(0.01)	(0.15)	**0.57**	(0.14)
	-diluted	**0.55**	(0.01)	(0.15)	**0.54**	(0.14)

Note:

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

Cash provided by operating activities, adjusted funds flow and net income increased in the second quarter and first half of 2022 as compared to the previous quarter and the same periods in 2021, predominantly due to higher petroleum and natural gas sales enhanced by higher production and higher commodity prices.

Capital Expenditures, Property Acquisitions and Dispositions

($ thousands)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Land	**332**	324	780	**656**	1,384
Seismic	**190**	134	126	**324**	293
Drilling and completions	**2,033**	47,064	10,422	**49,096**	52,710
Facilities, equipment and pipelines	**2,692**	6,150	8,479	**8,842**	14,086
Other	**1,814**	1,689	1,391	**3,504**	2,815
Total property, plant and equipment expenditures	**7,061**	55,361	21,198	**62,422**	71,288
Net property dispositions[(1)]	**-**	-	-	**-**	-
Net capital expenditures[(1)]	**7,061**	55,361	21,198	**62,422**	71,288

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial measures" contained within this MD&A.

In the second quarter of 2022, the Company invested a total of $7.1 million on exploration and development expenditures. The majority of these expenditures were spent on the continued development of the Montney assets. During the quarter, $2.0 million was invested on the finalization of first quarter drilling and completion activities in the Greater Septimus area, $2.7 million on facilities, equipment and pipelines in the Greater Septimus area and $2.4 million on land, seismic, and other miscellaneous amounts.

The Company did not drill or complete any wells in the second quarter of 2022.

GUIDANCE

During 2022, Crew is focused on improving leverage metrics by reducing debt and increasing AFF, driving enhanced financial flexibility. The following table sets forth Crew's guidance and underlying material assumptions for 2022:

	Previous 2022 guidance and assumptions(1)	Revised 2022 guidance and assumptions(1)
Net capital expenditures ($Millions)(2)	80–95	130–140
Annual average production (boe/d)	31,000–33,000	32,000–33,000
Adjusted funds flow ($Millions)	245–265	300–320
Free adjusted funds flow(2) ($Millions)	150–185	160–190
EBITDA(2) ($Millions)	269–289	324–344
Oil price (WTI)($US per bbl)	85.00	93.00
Natural gas price (NYMEX) ($US per mmbtu)	5.10	6.15
Natural gas price (AECO 5A) ($C per mcf)	4.50	5.45
Natural gas price (Crew est. wellhead) ($C per mcf)	5.15	6.25
Foreign exchange ($US/$CAD)	0.78	0.78
Royalties	5–7%	8–9%
Net operating costs(2) ($ per boe)	3.50–4.00	3.50–4.00
Transportation ($ per boe)	2.75–3.25	3.00–3.50
G&A ($ per boe)	0.80–1.00	0.80–1.00
Effective interest rate on long-term debt	6.0–6.5%	6.0–6.5%

Updated 2022 guidance and material assumptions reflects actuals for the six months ended June 30, 2022 and forecasts for the six months ended December 31, 2022. Selected forecasts for the six months ended December 31, 2022 are as follows:

Oil price (WTI)($US per bbl)	$85.00
Natural gas price (NYMEX) ($US per mmbtu)	$6.25
Natural gas price (AECO 5A) ($C per mcf)	$4.95
Natural gas price (Crew est. wellhead) ($C per mcf)	$5.80

Notes:

(1) The actual results of operations of Crew and the resulting financial results will likely vary from the estimates and material underlying assumptions set forth in this guidance by the Company and such variation may be material. The guidance and material underlying assumptions have been prepared on a reasonable basis, reflecting management's best estimates and judgments.

(2) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS Measures" contained within this MD&A.

Crew's guidance for AFF, Free AFF, EBITDA and production have all been increased as a result of strong production performance and the continued improvement in commodity prices experienced in the first half of 2022. The increased guidance reflects the above noted changes to the Company's underlying benchmark commodity prices.

Royalty guidance has been adjusted to reflect higher forecasted royalties in the second half of 2022 due to the sliding scale nature of royalty rates in British Columbia that increase as prices increase and a reduction in the amount of royalty credits available in the second half of 2022. The use of royalty credits, earned on previously drilled wells, was accelerated beyond forecast in the first half of 2022 due to the higher than forecast revenue earned during the period. Transportation guidance has increased to reflect the higher cost of transporting higher volumes of produced ngl and condensate.

With stronger commodity prices, the Company's Board of Directors have approved an increase in capital expenditures for the second half of the year. The $45 to $50 million increase in planned net capital expenditures guidance will now include the drilling of six UCR wells at Septimus, a condensate stabilization infrastructure project at the Septimus gas plant, pipeline infrastructure and deposits on long lead items for our 2023 program.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

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

With improved commodity prices underpinning significant free AFF[(1)] in 2022, the $185 million Facility and the senior unsecured notes termed out to 2024, the Company's financial position has strengthened significantly in 2022, with sufficient liquidity to fund the Company's on-going operations. The Company will continue to monitor debt levels and, if necessary, it will consider divesting of non-core properties, adjust its annual capital expenditure program or may consider other forms of financing to improve its financial position.

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

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

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

($ thousands)	**June 30, 2022**	December 31, 2021
Accounts receivable	**76,958**	41,861
Accounts payable and accrued liabilities	**(58,736)**	(74,929)
Working capital surplus (deficiency)	**18,222**	(33,068)

($ thousands)	**June 30, 2022**	December 31, 2021
Bank loan	**(8,101)**	(75,067)
Senior unsecured notes	**(298,325)**	(297,834)
Working capital surplus (deficiency)	**18,222**	(33,068)
Net debt	**(288,204)**	(405,969)

Working Capital

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

The Company ensures that sufficient drawings are available from its Facility to satisfy working capital requirements. At June 30, 2022, the Company has a working capital surplus of $18.2 million, with only $8.1 million of drawings on its $185 million Facility described below.

Bank Loan

As at June 30, 2022, the Company's bank facility consists of a revolving line of credit of $155 million and an operating line of credit of $30 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 2, 2023. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. 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, 2022. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Advances under the Facility are available by way of prime rate loans with interest rates between 2.00 percent and 5.50 percent over the bank's prime lending rate and bankers' acceptances and LIBOR loans, which are subject to stamping fees and margins ranging from 3.00 percent to 6.50 percent depending upon the secured debt to EBITDA ratio of the Company calculated at the Company's previous quarter end. Standby fees are charged on the undrawn Facility at rates ranging from 0.75 percent to 1.63 percent depending upon the secured debt to EBITDA ratio. As at June 30, 2022, the Company's applicable pricing included a 2.00 percent margin on prime lending, a 3.00 percent stamping fee and margin on bankers' acceptances and LIBOR loans along with a 0.75 percent per annum standby fee on the portion of the Facility that is not drawn. Borrowing margins and fees are reviewed annually as part of the bank syndicate's annual renewal.

At June 30, 2022, the Company had issued letters of credit totaling $10.6 million (December 31, 2021 - $7.9 million).

Senior Unsecured Notes

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

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

Year[(1)]	Percentage
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, 2022, the carrying value of the 2024 Notes was net of deferred financing costs of $1.7 million (December 31, 2021 – $2.2 million).

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

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at August 8, 2022, there were 156,647,450 common shares of the Company issued and outstanding, which includes 4,184,613 of common shares held in trust for the potential future settlement of awards issued under the Company's Restricted and Performance Award Incentive Plan. In addition, there were 3,893,156 restricted awards and 5,729,128 performance awards outstanding.

The Company provides funds to an independent trustee to acquire common shares in the open market, which are held in trust for the potential future settlement of Restricted and Performance award values. The common shares held in trust are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the six months ended June 30, 2022, the trustee purchased 2,195,000 common shares for a total cost of $8.4 million and as at June 30, 2022, the trustee held 3,841,000 common shares in trust.

Related-Party and Off-Balance-Sheet Transactions

Crew was not involved in any off-balance-sheet transactions or related party transactions during the quarter ended June 30, 2022.

Contractual Obligations

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

($ thousands)	2022	2023	2024	2025	2026	Thereafter
Bank Loan (note 1)	-	-	8,101	-	-	-
Senior unsecured notes (note 2)	-	-	300,000	-	-	-
Lease obligations	244	731	731	731	244	352
Firm transportation agreements	16,784	34,379	30,055	28,586	22,107	23,596
Firm processing agreement	9,436	18,718	18,752	18,718	18,718	87,835
Total	**26,464**	**53,828**	**357,639**	**48,035**	**41,069**	**111,783**

Notes:

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

(2) Matures on March 14, 2024.

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

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

Firm processing agreements include commitments to process natural gas through the Septimus gas processing facility and West Septimus gas processing facility ("Greater Septimus Processing Complex") in NE BC.

ADDITIONAL DISCLOSURES

Risks and Uncertainties

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

a) Volatility in the Oil and Natural Gas Industry

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

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

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

b) Impact of the COVID-19 Pandemic

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

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.

c) Indigenous Claims

Indigenous peoples have claimed Indigenous rights and title in portions of western Canada. Any claims made against land where the Company leases the mineral or surface rights may have an adverse effect on the Company's business, financial condition and results of operations. Some Indigenous groups have established or asserted Indigenous treaty, title, and rights to portions of Canada. There are outstanding Indigenous and treaty rights claims, which may include Indigenous title claims, on lands where Crew operates, and such claims, if successful, could have a material adverse impact on its operations or pace of growth. No certainty exists that any lands currently unaffected by claims brought by Indigenous groups will remain unaffected by future claims. At this time, it is not reasonably expected that claims will materially affect the Company's planned activity in 2022 or 2023, however, its longer term effects on the Company's business and operations are unknown. In addition, the process of addressing such claims, regardless of the outcome, could be extensive and time-consuming and could result in delays in drilling, completions, construction of infrastructure systems and facilities which may have a material effect on the Company's business and financial results.

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

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

The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of ongoing litigation. The fulfillment of the duty to consult Indigenous people and any associated accommodations may adversely affect the Company's ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals. For example, regulatory authorities in British Columbia recently ceased granting approvals and, in some cases, revoked existing approvals, for, among other things, crude oil and natural gas activities relating to drilling, completions, testing, production and transportation infrastructure following a recent British Columbia Supreme Court decision that the cumulative impacts of government sanctioned industrial development on the traditional territories of a First Nations group in northeast British Columbia breached that group's treaty rights. While Crew believes that the regulatory authorities will resume granting and reinstate approvals for crude oil and natural gas activities on time frames and terms and conditions consistent with past practice, the long-term impacts of, and associated risks with, the decision on the Canadian crude oil and natural gas industry and Crew remain uncertain.

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

d) Operational Risks

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

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Crew maintains diligent oversight and maintenance over operations to mitigate these risks, including responsible well supervision, effective maintenance operations and the development of enhanced recovery technologies that contribute to maximizing production rates over time. It is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.

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

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

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

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

e) Financial Risks

Volatile oil, ngl and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil, ngl and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects. As a result, the Company hedges future revenue through commodity contracts to lock-in value and mitigate financial risk. From time to time, the Company's may enter into agreements to receive fixed prices on its oil, ngl and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that the Company engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk.

f) Changing Regulation

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

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

g) Physical Risk of Climate Change

Based on the Company's current understanding, the potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. Many experts believe global climate change could increase extreme variability in weather patterns such as increased frequency of severe weather, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Extreme hot and cold weather, heavy snowfall, heavy rainfall, and wildfires may restrict the Company's ability to access its properties and cause operational difficulties, including damage to equipment and infrastructure. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions. Certain of the Company's assets are located in locations that are proximate to forests and rivers and a wildfire or flood may lead to significant downtime and/or damage to the Company's assets or cause disruptions to the production and transport of its products or the delivery of goods and services in its supply chain.

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

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

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

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

Historical Analysis

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

($ thousands, except per share amounts)	**June 30 2022**	Mar. 31 2022	Dec. 31 2021	Sep. 30 2021	June 30 2021	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020
Total daily production (boe/d)	**35,044**	33,399	29,142	23,659	26,712	26,258	21,666	20,207
Exploration and development expenditures	**7,061**	55,361	42,341	64,295	21,198	50,090	41,007	21,876
Net property (dispositions)/acquisitions[1]	**-**	-	(460)	(7,816)	-	-	(23,219)	(35)
Average wellhead price ($/boe)	**62.16**	43.39	38.47	34.75	28.20	36.19	21.37	17.40
Petroleum and natural gas sales	**198,239**	130,432	103,153	75,628	68,550	85,517	42,604	32,344
Cash provided by operating activities	**117,363**	55,082	45,747	18,072	24,890	30,447	14,774	5,121
Adjusted funds flow	**115,274**	77,660	46,833	26,511	25,530	33,995	15,568	8,549
Per share[2] – basic	**0.76**	0.51	0.31	0.17	0.17	0.23	0.10	0.06
– diluted	**0.71**	0.48	0.29	0.17	0.16	0.22	0.10	0.06
Net income (loss)	**88,695**	(1,377)	50,901	176,183	(23,138)	1,353	34,668	(21,136)
Per share – basic	**0.58**	(0.01)	0.33	1.14	(0.15)	0.01	0.23	(0.14)
– diluted	**0.55**	(0.01)	0.31	1.12	(0.15)	0.01	0.22	(0.14)

Notes:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures or ratios for other entities. See "Non-IFRS Measures" contained within this MD&A.
(2) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.

The global outbreak of COVID-19 in early 2020 and subsequent measures intended to limit the pandemic contributed to significant volatility in the global financial markets. The pandemic adversely impacted global commercial activity and significantly reduced worldwide demand for commodities including crude oil, natural gas and ngl. The result was significant volatility and a decline in the price of crude oil and gas during the first three quarters of 2020. During this time, the Company conservatively managed capital spending in order to sustain production levels and protect the Company's financial integrity.

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

The decline in crude oil and natural gas prices in the first quarter of 2020 resulted in a March 31, 2020 pre-tax impairment charge of $267.3 million. The prospect of a global vaccination campaign against COVID-19 emerged in the latter part of 2020 resulting in a recovery in global markets including an improvement in global commodity prices. The recovery extended into 2021 with global crude oil, ngl and natural gas prices significantly outperforming those seen throughout 2020, resulting in a September 30, 2021 pre-tax impairment reversal of $228.5 million.

Significant volatility in commodity prices has historically impacted cash provided by operating activities, adjusted funds flow and net income (loss) throughout the past eight quarters. The Company has reduced the financial impact of volatile commodity prices by entering into derivative and physical risk management contracts which can cause significant fluctuations in income due to unrealized gains and losses recognized on a quarterly basis.

Application of Critical Accounting Estimates

Crew's significant accounting policies are disclosed in note 4 of the December 31, 2021 consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Crew continuously refines its management and reporting systems to ensure that accurate, timely and useful information is gathered and disseminated. Crew's financial and operating results incorporate certain estimates including the following:

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

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's internal controls over financial reporting that occurred during the period beginning on April 1, 2022 and ended on June 30, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No material changes in the Company's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

ADVISORIES

Conversions

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

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

Non-IFRS and Other Financial Measures

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

Capital Management Measures

a) Funds from Operations and Adjusted Funds Flow

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

b) Net debt and Working Capital Deficiency (Surplus)

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

Non-IFRS Measures and Ratios

a) Net Property Acquisitions (Dispositions)

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

b) Net Capital Expenditures

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

($ thousands)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Property, plant and equipment expenditures	**7,061**	55,361	21,198	**62,422**	71,288
Less: net property dispositions	**-**	-	-	**-**	-
Net capital expenditures	**7,061**	55,361	21,198	**62,422**	71,288

c) EBITDA

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

($ thousands)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by operating activities	**117,363**	55,082	24,890	**172,445**	55,337
Change in operating non-cash working capital	**(2,666)**	19,675	1,097	**17,009**	3,805
Accretion of deferred financing costs	**(245)**	(246)	(246)	**(491)**	(492)
Funds from operations	**114,452**	74,511	25,741	**188,963**	58,650
Decommissioning obligations settled (recovered) excluding government grants	**822**	3,149	(211)	**3,971**	875
Adjusted funds flow	**115,274**	77,660	25,530	**192,934**	59,525
Interest	**6,230**	6,094	6,102	**12,324**	12,017
EBITDA	**121,504**	83,754	31,632	**205,258**	71,542

d) Free Adjusted Funds Flow

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

($ thousands)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by operating activities	**117,363**	55,082	24,890	**172,445**	55,337
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Adjusted funds flow	**115,274**	77,660	25,530	**192,934**	59,525
Less: property, plant and equipment expenditures	**7,061**	55,361	21,198	**62,422**	71,288
Free adjusted funds flow	**108,213**	22,299	4,332	**130,512**	(11,763)

e) Net Operating Costs

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

f) Net Operating Costs per boe

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

g) Operating Netback per boe

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

h) Cash costs per boe

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

($/boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Net operating costs	**3.52**	3.50	4.79	**3.51**	4.72
Transportation costs	**3.33**	3.12	4.10	**3.23**	4.13
General and administrative expenses	**0.83**	0.96	0.93	**0.89**	0.93
Financing costs on debt	**1.95**	2.03	2.51	**1.99**	2.51
Cash costs	**9.63**	9.61	12.33	**9.62**	12.29

i) Financing costs on debt per boe

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

($ thousands, except per boe)	**Three months ended June 30, 2022**	Three months ended March 31, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Interest on bank loan and other	**1,123**	1,040	994	**2,163**	1,855
Interest on senior notes	**4,862**	4,808	4,862	**9,670**	9,670
Accretion of deferred financing charges	**245**	246	246	**491**	492
Financing costs on debt	**6,230**	6,094	6,102	**12,324**	12,017
Production (boe/d)	**35,044**	33,399	26,712	**34,225**	26,486
Financing costs on debt per boe	**1.95**	2.03	2.51	**1.99**	2.51

Supplementary Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

Forward Looking Statements

This MD&A contains certain forward looking informational statements within the meaning of applicable securities laws. In particular, management's assessment of the potential and uncertain impact of COVID-19 on the Company's operations and results, future plans and operations, including the Company's two year development plan and the associated guidance and material underlying assumptions contained in the section titled "Guidance" herein, capital spending plans and budget estimates, drilling plans and the timing thereof, plans for the completion and tie-in of wells and anticipated on-stream dates, facility and pipeline construction, expansion, commissioning and the timing thereof, capital expenditures, timing of capital expenditures and methods of financing capital expenditures and the ability to fund financial liabilities, production estimates, expected commodity mix and prices, future net operating costs, future transportation costs, expected royalty rates, expected 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, the potential for further property or infrastructure divestures and the anticipated impact of potential future transactions may constitute forward looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, regulatory 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; that future business, regulatory and industry conditions will be within the parameters expected by Crew; the impact of increasing competition; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; potential changes in the Company's two year development plan; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Crew's ability to obtain financing on acceptable terms; changes in the Company's banking facility; field production rates and decline rates; the ability to reduce net operating costs; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future petroleum and natural gas prices; currency exchange and interest rates; the regulatory framework regarding royalties, taxes, environmental and Indigenous matters in the jurisdictions in which the Company operates; that regulatory authorities in BC will resume granting approvals for oil and gas activities on time frames, and on terms and conditions, consistent with past practices; 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 2022 capital expenditure plans, budgets and associated guidance and corporate outlook for 2022 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 2022 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 2022 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2022 guidance and outlook may not be appropriate for other purposes. Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Dated as of August 8, 2022

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (thousands)	**June 30, 2022**	December 31, 2021
Assets		
Current Asset:		
Accounts receivable	**$ 76,958**	$ 41,861
	76,958	41,861
Derivative financial instruments (note 4)	**-**	275
Property, plant and equipment (note 5)	**1,449,923**	1,448,522
	$ 1,526,881	$ 1,490,658
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 58,736**	$ 74,929
Derivative financial instruments (note 4)	**36,419**	16,690
Decommissioning obligations (note 9)	**2,703**	1,386
	97,858	93,005
Derivative financial instruments (note 4)	**1,100**	-
Bank loan (note 6)	**8,101**	75,067
Senior unsecured notes (note 7)	**298,325**	297,834
Lease obligations (note 8)	**2,301**	2,620
Decommissioning obligations (note 9)	**38,317**	56,828
Deferred tax liability	**72,132**	46,150
Shareholders' Equity		
Share capital (note 10)	**1,475,009**	1,481,450
Contributed surplus	**80,581**	71,865
Deficit	**(546,843)**	(634,161)
	1,008,747	919,154
Subsequent event (note 4)		
Commitments (note 13)		
	$ 1,526,881	$ 1,490,658

See accompanying notes to the condensed interim consolidated financial statements.

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

(unaudited) (thousands, except per share amounts)	**Three months ended June 30, 2022**	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Revenue				
Petroleum and natural gas sales (note 11)	**$ 198,239**	$ 68,550	**$ 328,671**	$ 154,067
Royalties	**(12,685)**	(4,634)	**(21,056)**	(9,857)
Realized loss on derivative financial instruments	**(39,562)**	(8,403)	**(55,066)**	(25,751)
Unrealized gain (loss) on derivative financial instruments	**34,048**	(31,276)	**(21,104)**	(45,669)
Processing revenue	**1,475**	482	**2,305**	1,036
	181,515	24,719	**233,750**	73,826
Expenses				
Operating	**12,705**	12,136	**24,064**	23,675
Transportation	**10,623**	9,971	**20,015**	19,823
General and administrative	**2,635**	2,256	**5,517**	4,455
Share-based compensation	**1,766**	772	**2,467**	1,346
Depletion and depreciation (note 5)	**25,822**	17,605	**50,250**	34,991
	53,551	42,740	**102,313**	84,290
Income (loss) from operations	**127,964**	(18,021)	**131,437**	(10,464)
Financing (note 12)	**6,565**	6,567	**12,939**	12,771
Gain on divestiture of property, plant and equipment	**-**	(320)	**-**	(320)
Other income (note 9)	**(67)**	(1,130)	**(485)**	(1,130)
Income (loss) before income taxes	**121,466**	(23,138)	**118,983**	(21,785)
Deferred tax expense	**32,771**	-	**31,665**	-
Net income (loss) and comprehensive income (loss)	**$ 88,695**	$ (23,138)	**$ 87,318**	$ (21,785)
Net income (loss) per share (note 10)				
Basic	**$ 0.58**	$ (0.15)	**$ 0.57**	$ (0.14)
Diluted	**$ 0.55**	$ (0.15)	**$ 0.54**	$ (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, 2022	152,480	$ 1,481,450	$ 71,865	$ (634,161)	$ 919,154
Net income for the period	-	-	-	87,318	87,318
Share-based compensation expensed	-	-	2,467	-	2,467
Share-based compensation capitalized	-	-	2,527	-	2,527
Issued from treasury on vesting of share awards	25	38	(38)	-	-
Released from trust on vesting of share awards	2,497	1,923	(1,923)	-	-
Purchase of shares held in trust (note 10)	(2,195)	(8,402)	-	-	(8,402)
Tax deduction on excess value of share awards	-	-	5,683	-	5,683
Balance, June 30, 2022	**152,807**	**$ 1,475,009**	**$ 80,581**	**$ (546,843)**	**$ 1,008,747**

(unaudited) (thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2021	151,182	$1,482,925	$ 70,052	$ (839,460)	$ 713,517
Net loss for the period	-	-	-	(21,785)	(21,785)
Share-based compensation expensed	-	-	1,346	-	1,346
Share-based compensation capitalized	-	-	1,259	-	1,259
Issued from treasury on vesting of share awards	127	171	(171)	-	-
Released from trust on vesting of share awards	5,688	6,523	(6,523)	-	-
Purchase of shares held in trust (note 10)	(2,978)	(3,299)	-	-	(3,299)
Balance, June 30, 2021	**154,019**	**$ 1,486,320**	**$ 65,963**	**$ (861,245)**	**$ 691,038**

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands)	**Three months ended June 30, 2022**	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by (used in):				
Operating activities:				
Net income (loss)	**$ 88,695**	$ (23,138)	**$ 87,318**	$ (21,785)
Adjustments:				
Unrealized (gain) loss on derivative financial instruments	**(34,048)**	31,276	**21,104**	45,669
Share-based compensation	**1,766**	772	**2,467**	1,346
Depletion and depreciation (note 5)	**25,822**	17,605	**50,250**	34,991
Financing expenses (note 12)	**6,565**	6,567	**12,939**	12,771
Interest expense (note 12)	**(5,985)**	(5,856)	**(11,833)**	(11,525)
Gain on divestiture of property, plant and equipment	**-**	(320)	**-**	(320)
Deferred tax expense	**32,771**	-	**31,665**	-
Decommissioning obligations settled (note 9)	**(889)**	(919)	**(4,456)**	(2,005)
Change in non-cash working capital	**2,666**	(1,097)	**(17,009)**	(3,805)
	117,363	24,890	**172,445**	55,337
Financing activities:				
(Decrease) increase in bank loan	**(76,527)**	7,664	**(66,966)**	28,521
Shares purchased and held in trust (note 10)	**(3,000)**	(1,999)	**(8,402)**	(3,299)
	(79,527)	5,665	**(75,368)**	25,222
Investing activities:				
Property, plant and equipment expenditures (note 5)	**(7,061)**	(21,198)	**(62,422)**	(71,288)
Change in non-cash working capital	**(30,775)**	(9,357)	**(34,655)**	(9,271)
	(37,836)	(30,555)	**(97,077)**	(80,559)
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, 2022 and 2021

(Unaudited) (Tabular amounts in thousands)

1. Reporting entity:

Crew Energy Inc. ("Crew" or the "Company") is an oil and gas exploration, development and production company based in Calgary, Alberta, Canada. Crew conducts its operations in the Western Canada Sedimentary basin, focused in the province of British Columbia. The consolidated financial statements (the "financial statements") of the Company are comprised of the accounts of Crew and its wholly owned subsidiary, Crew Oil and Gas Inc. which is incorporated in Canada, and two partnerships, Crew Energy Partnership and Crew Heavy Oil Partnership. Effective May 31, 2022, Crew Oil and Gas Inc., Crew Energy Partnership and Crew Heavy Oil Partnership were dissolved, and all assets and liabilities were transferred to Crew Energy Inc. at net book value with no gain or loss. Crew's principal place of business is located at Suite 800, 250 – 5th Street SW, Calgary, Alberta, Canada, T2P 0R4.

2. Basis of preparation:

These financial statements have been prepared in accordance with 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, 2021. 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 8, 2022.

3. COVID-19 estimation uncertainty:

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

During the six months ended June 30, 2022, demand for oil and natural gas continued to increase as the global economy continued to recover from the novel strain of the coronavirus ("COVID-19") pandemic. Energy prices strengthened to multi-year highs due to elevated uncertainty of global oil and natural gas supply after Russia's invasion of Ukraine, in addition to restricted oil and gas investment globally. While the Company has benefited from the improvement in commodity prices, there is a degree of uncertainty related to COVID-19 and geopolitical events that have been considered in our estimates as at and for the period ended June 30, 2022.

A full list of the key sources of estimation uncertainty can be found in note 4 of the annual consolidated financial statements for the year ended December 31, 2021.

4. Financial risk management:

Derivative contracts:

In order to reduce the risk of future commodity price volatility, it is the Company's policy to hedge a portion of its petroleum and natural gas sales through 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 generally 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 using fixed price marketing contracts. The Company does not use 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, 2022, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas – AECO Daily Index:				
35,000 gj/day	July 1, 2022 – September 30, 2022	$3.15/gj	Swap	$ (4,591)
20,000 gj/day	July 1, 2022 - October 31, 2022	$3.04/gj	Swap	(3,836)
25,000 gj/day	July 1, 2022 - December 31, 2022	$2.85/gj	Swap	(8,108)
30,000 gj/day	October 1, 2022 - December 31, 2022	$2.90/gj	Swap	(5,213)
10,000 gj/day	November 1, 2022 - March 31, 2023	$3.68/gj	Swap	(1,854)
12,500 gj/day	January 1, 2023 - March 31, 2023	$5.07/gj	Swap	(193)
2,500 gj/day	January 1, 2023 - December 31, 2023	$4.12/gj	Swap	(200)
12,500 gj/day	April 1, 2023 - June 30, 2023	$3.42/gj	Swap	(602)
12,500 gj/day	July 1, 2023 - September 30, 2023	$3.36/gj	Swap	(606)
12,500 gj/day	October 1, 2023 - December 31, 2023	$3.74/gj	Swap	(598)
Natural Gas – AECO Monthly Index:				
7,500 gj/day	July 1, 2022 - December 31, 2022	$2.36/gj	Swap	(3,510)
10,000 gj/day	July 1, 2022 - September 30, 2022	$2.22/gj	Swap	(2,655)
10,000 gj/day	October 1, 2022 - December 31, 2022	$2.48/gj	Swap	(2,048)
10,000 gj/day	January 1, 2023 - December 31, 2023	$4.00 - $5.18/gj	Collar(1)	456
CDN$ Edmonton C5 Blended Index:				
1,000 bbl/day	July 1, 2022 – December 31, 2022	$97.06/bbl	Swap	(3,961)
Total				**$ (37,519)**

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

Subsequent to June 30, 2022, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
Natural Gas – AECO Daily Index:			
2,500 gj/day	January 1, 2023 - March 31, 2023	$5.82/gj	Swap
5,000 gj/day	January 1, 2023 - December 31, 2023	$5.06/gj	Swap
2,500 gj/day	April 1, 2023 - June 30, 2023	$4.54/gj	Swap
2,500 gj/day	July 1, 2023 - September 30, 2023	$4.36/gj	Swap
2,500 gj/day	October 1, 2023 - December 31, 2023	$4.79/gj	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 and accrued liabilities, derivative financial instruments, the bank loan, the senior unsecured notes and lease obligations. Accounts payable and accrued liabilities consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period. Accounts payable and accrued liabilities and the majority of derivative financial instruments have contractual maturities of less than one year. To meet these obligations, the Company maintains a revolving credit facility, as outlined in note 6, which is subject to annual renewal by the lenders and has a contractual maturity in 2024, if not extended. The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures, and does not pay dividends. In addition, the Company issued $300 million in senior unsecured notes in 2017 that are scheduled to mature in 2024, as discussed in note 7.

Capital management:

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

With only 4% drawn on the Company's $185 million Facility and the senior unsecured notes termed out to 2024, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations. The Company will continue to monitor debt levels and, if necessary, it will consider divesting of non-core properties, adjust its annual capital expenditure program or may consider other forms of financing to improve its financial position.

Net debt:

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

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

		June 30, 2022		December 31, 2021
Accounts receivable	**$**	**76,958**	$	41,861
Accounts payable and accrued liabilities		**(58,736)**		(74,929)
Working capital surplus (deficiency)	**$**	**18,222**	$	(33,068)
Bank loan		**(8,101)**		(75,067)
Senior unsecured notes		**(298,325)**		(297,834)
Net debt	**$**	**(288,204)**	$	(405,969)

The bank loan is subject to a semi-annual review of the Borrowing Base, which is directly impacted by the value of the Company's oil and natural gas reserves (note 6).

Funds from operations and adjusted funds flow:

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

	Three months ended June 30, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Cash provided by operating activities	**$ 117,363**	$ 24,890	**$ 172,445**	$ 55,337
Change in operating non-cash working capital	**(2,666)**	1,097	**17,009**	3,805
Accretion of deferred financing costs (note 12)	**(245)**	(246)	**(491)**	(492)
Funds from operations	**$ 114,452**	$ 25,741	**$ 188,963**	$ 58,650
Decommissioning obligations settled excluding grants (note 9)	**822**	(211)	**3,971**	875
Adjusted funds flow	**$ 115,274**	$ 25,530	**$ 192,934**	$ 59,525

5. Property, plant and equipment:

Cost	Total
Balance, January 1, 2021	$ 2,719,994
Additions	177,924
Acquisitions	1,400
Divestitures	(605,355)
Change in right-of-use assets	(59)
Change in decommissioning obligations (note 9)	4,717
Capitalized share-based compensation	2,373
Balance, December 31, 2021	$ 2,300,994
Additions	62,422
Change in decommissioning obligations	(13,298)
Capitalized share-based compensation	2,527
Balance, June 30, 2022	**$ 2,352,645**

Accumulated depletion and depreciation	Total
Balance, January 1, 2021	$ 1,560,962
Depletion and depreciation expense	73,207
Divestitures	(553,148)
Impairment	(228,549)
Balance, December 31, 2021	$ 852,472
Depletion and depreciation expense	50,250
Balance, June 30, 2022	**$ 902,722**

Net book value	Total
Balance, June 30, 2022	**$ 1,449,923**
Balance, December 31, 2021	$ 1,448,522

The calculation of depletion and depreciation expense for the six months ended June 30, 2022 included estimated future development costs of $1,576.6 million (December 31, 2021 - $1,599.0 million) associated with the development of the Company's proved plus probable reserves and excludes salvage value of $41.9 million (December 31, 2021 - $41.3 million) and undeveloped land of $143.3 million (December 31, 2021 - $142.5 million) related to future development acreage with no associated reserves.

Included in depletion and depreciation expense for the six months ended June 30, 2022 is $0.2 million (December 31, 2021 - $0.4 million) related to the right-of-use assets for the Company's leases. As at June 30, 2022, the net book value of these right-of-use assets is $1.9 million (December 31, 2021 - $2.1 million).

During the third quarter of 2021, the Company disposed of its Lloydminster heavy crude oil operations for cash proceeds of $10.7 million and incurred $2.5 million of related transaction costs. The disposition consisted of petroleum and natural gas properties and undeveloped land with a net book value of $45.8 million and associated decommissioning obligations of $34.5 million, resulting in a loss of $3.1 million on closing of the disposition.

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

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

The Company identified an indicator of impairment reversal at September 30, 2021 for the northeast British Columbia cash generating unit (“CGU”) and performed an impairment reversal test to estimate its recoverable amount. It was determined that the recoverable amount of the northeast British Columbia CGU exceeded its carrying value, resulting in all previous impairment, net of depletion, of $228.5 million being reversed. The indicator of impairment reversal existed as a result of increases in forecasted oil and gas commodity prices, along with an increase in the Company's market capitalization. At December 31, 2021 and June 30, 2022, the Company did not identify any indicators of impairment, and therefore, an impairment test was not performed.

6. Bank loan:

As at June 30, 2022, the Company’s bank facility consists of a revolving line of credit of $155 million and an operating line of credit of $30 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 2, 2023. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the “Borrowing Base”) are reviewed semi-annually and are based on the bank syndicate’s interpretation of the Company’s reserves and future commodity prices. 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, 2022. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Advances under the Facility are available by way of prime rate loans with interest rates between 2.00 percent and 5.50 percent over the bank's prime lending rate and bankers' acceptances and LIBOR loans, which are subject to stamping fees and margins ranging from 3.00 percent to 6.50 percent depending upon the secured debt to EBITDA ratio of the Company calculated at the Company's previous quarter end. Standby fees are charged on the undrawn Facility at rates ranging from 0.75 percent to 1.63 percent depending upon the secured debt to EBITDA ratio. As at June 30, 2022, the Company’s applicable pricing included a 2.00 percent margin on prime lending, a 3.00 percent stamping fee and margin on bankers’ acceptances and LIBOR loans along with a 0.75 percent per annum standby fee on the portion of the Facility that is not drawn. Borrowing margins and fees are reviewed annually as part of the bank syndicate’s annual renewal.

At June 30, 2022, the Company had issued letters of credit totaling $10.6 million (December 31, 2021 - $7.9 million).

7. Senior unsecured notes:

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

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

Year[(1)]	Percentage
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, 2022, the carrying value of the 2024 Notes was net of deferred financing costs of $1.7 million (December 31, 2021 – $2.2 million).

8. Lease obligations:

	As at June 30, 2022	As at December 31, 2021
Less than 1 year	**$ 609**	$ 244
1 – 3 years	**1,461**	1,461
After 3 years	**963**	1,328
Total undiscounted future lease payments	**$ 3,033**	$ 3,033
Total undiscounted future interest payments	**(223)**	(278)
Present value of lease obligations	**$ 2,810**	$ 2,755
Current portion of lease obligations, included in accounts payable and accrued liabilities	**(509)**	(135)
Long-term portion of lease obligations	**$ 2,301**	$ 2,620

The Company's total undiscounted future lease payments of $3.0 million (December 31, 2021 – $3.0 million) equate to future lease obligations. This amount excludes commitments for firm transportation and processing agreements, as disclosed in note 13, as they do not meet the definition of a lease as the Company does not control the asset or receive substantially all of the asset's economic benefits.

9. Decommissioning obligations:

	Six months ended June 30, 2022	Year ended December 31, 2021
Decommissioning obligations, beginning of period	**$ 58,214**	$ 93,178
Obligations incurred	**3,020**	4,340
Obligations settled	**(4,456)**	(4,844)
Obligations divested	**-**	(36,213)
Change in estimated future cash outflows	**(16,318)**	377
Accretion of decommissioning obligations	**560**	1,376
Decommissioning obligations, end of period	**$ 41,020**	$ 58,214

The Company's decommissioning obligations result from its ownership interest in oil and natural gas assets, including well sites and facilities. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be

$41.0 million as at June 30, 2022 (December 31, 2021 – $58.2 million) based on an inflation adjusted undiscounted total future liability of $90.6 million (December 31, 2021 – $92.2 million). These payments are expected to be made over the next 45 years, with the majority of costs to be incurred between 2029 and 2060. The inflation rate applied to the liability is 1.83% (December 31, 2021 – 1.81%). The discount factor, being the risk-free rate related to the liability is 3.19% (December 31, 2021 – 1.70%). The $16.3 million (December 31, 2021 – $0.4 million) change in estimated future cash outflows for the six months ended June 30, 2022 is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

Included in decommissioning obligations settled is $0.5 million (December 31, 2021 – $1.5 million) related to government grants earned for well site rehabilitation and recognized in Other Income.

10. Share capital:

At June 30, 2022, the Company was authorized to issue an unlimited number of common shares with the holders of common shares entitled to one vote per share.

Restricted and performance award incentive plan:

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

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

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

Common shares are acquired in the open market by an independent trustee and are held in trust for the potential future settlement of award values and are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the six months ended June 30, 2022, the trustee purchased 2,195,000 (June 30, 2021 – 2,978,000) common shares for a total cost of $8.4 million (June 30, 2021 - $3.3 million) and as at June 30, 2022, the trustee held 3,841,000 (June 30, 2021 – 2,558,000) common shares in trust.

Upon the vesting and settlement of 1,009,000 RAs and 799,000 PAs, when accounting for the earned multipliers for PAs, 25,000 common shares of the Company were issued from treasury and 2,497,000 common shares were released from trust for the six months ended June 30, 2022.

The number of RAs and PAs outstanding are as follows:

	Number of RAs	Number of PAs
Balance, January 1, 2022	3,660	4,576
Granted	1,250	1,956
Vested	(1,009)	(799)
Forfeited	(8)	(4)
Balance, June 30, 2022	**3,893**	**5,729**

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, 2022 was 152,630,000 (June 30, 2021 – 153,984,000) and for the six months ended June 30, 2022, the weighted average number of shares outstanding was 152,135,000 (June 30, 2021 – 152,401,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the three month period ended June 30, 2022, 9,777,000 (June 30, 2021 – nil) shares were added to the weighted average common shares outstanding to account for the dilution of RAs and for the six month period ended June 30, 2022, 9,926,000 (June 30, 2021 – nil) shares were added to the weighted average common shares for dilution. For the three month period ended June 30, 2022, there were nil (June 30, 2021 – 8,731,000) 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, 2022, there were 4,033,000 (June 30, 2021 – 8,731,000) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive.

11. Revenue:

Petroleum and natural gas sales:

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

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

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

	Three months ended June 30, 2022	Three months ended June 30, 2021	**Six months ended June 30, 2022**	Six months ended June 30, 2021
Light crude oil	**$ 1,290**	$ 1,116	**$ 2,410**	$ 2,009
Heavy crude oil	**-**	6,299	**-**	11,302
Natural gas liquids	**13,882**	2,896	**26,403**	5,827
Condensate	**65,933**	20,699	**107,011**	37,700
Natural gas	**117,134**	37,540	**192,847**	97,229
	$ 198,239	$ 68,550	**$ 328,671**	$ 154,067

12. Financing:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Interest expense	**$ 5,985**	$ 5,856	**$ 11,833**	$ 11,525
Interest on lease obligations	**28**	25	**55**	52
Accretion of deferred financing costs	**245**	246	**491**	492
Accretion of decommissioning obligations	**307**	440	**560**	702
	$ 6,565	$ 6,567	**$ 12,939**	$ 12,771

13. Commitments:

	2022	2023	2024	2025	2026	Thereafter
Firm transportation agreements	$ 16,784	$ 34,379	$ 30,055	$ 28,586	$ 22,107	$ 23,596
Firm processing agreements	9,436	18,718	18,752	18,718	18,718	87,835
Total	**$ 26,220**	**$ 53,097**	**$ 48,807**	**$ 47,304**	**$ 40,825**	**$111,431**

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

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