crew energy inc.

Q2 2024 INTERIM REPORT

Crew Energy Inc. (TSX: CR; OTCQB: CWEGF) ("Crew" or the "Company"), a growth-oriented natural gas weighted producer operating in the world-class Montney play in northeast British Columbia ("NE BC"), is pleased to announce our operating and financial results for the three and six month periods ended June 30, 2024.

HIGHLIGHTS

- **29,253 boe per day**[1] (176 mmcfe per day) average production in Q2/24 was near the midpoint of quarterly guidance of 28,500 to 30,500 boe per day, reflecting new production from five ultra-condensate rich ("UCR") wells brought on at the end of Q1/24, and partially offset by the impact of dry gas production being shut-in due to low natural gas pricing.
  - **6,131 bbls per day** of condensate production in Q2/24 marked a **67%** volume increase over Q2/23 and a 12% increase from Q1/24, with condensate representing **21%** of total production and **71%** of sales[7].
  - **123,800 mcf per day** of natural gas production in Q2/24 represented **71%** of total production and **19%** of sales, and is net of approximately 1,700 boe per day of predominantly dry gas that was shut-in to preserve value given low natural gas pricing.
  - **2,425 bbls per day** of natural gas liquids[5,6] ("ngl") production in Q2/24 represented **8%** of total production and **9%** of sales.
- **$41.4 million of Adjusted Funds Flow** ("AFF")[2] ($0.26 per fully diluted share[3]) was generated in Q2/24, exceeding market expectations and enhanced by higher condensate production.
  - **AFF[2] as a percentage** of petroleum and natural gas sales ("AFF Margin")[3] totaled **55%** in Q2/24.
  - **Operating netbacks**[4] averaged **$17.70 per boe**, while AFF per boe ("AFF Netback")[3] averaged $15.55 per boe in Q2/24.
- **$15.9 million of net capital expenditures**[4] were invested in Q2/24, lower than guidance for the quarter of $20 to $25 million, reflecting an efficient capital program which included $5.3 million allocated to drilling and completion activities, $7.9 million to facilities, equipment and pipelines and $2.7 million to land, seismic and other miscellaneous items.
  - During the quarter, five (5.0 net) UCR wells at the 7-18 pad were tied-in through permanent production facilities, preparation for six (6.0 net) Tower completions began, and Crew continued to advance both the West Septimus Gas Plant electrification project and the future Groundbirch plant project.
- **$25.6 million of free AFF**[4] was generated in Q2/24, largely directed to debt reduction in order to enhance long-term sustainability, with only 39% drawn on Crew's $250 million credit facility at period end.
- **$124.5 million in net debt**[2] at quarter-end, representing a 16% reduction from the prior quarter, with net debt to trailing last twelve-month ("LTM") EBITDA[3] of 0.6x. This balance sheet strength positions the Company to further advance our plan to enhance reserves and production, supported by strategic infrastructure investments.
- **$13.5 million in positive after-tax net income** ($0.08 per fully diluted share) was recorded during the quarter.
- **$10.68 cash costs per boe[4]** in Q2/24 increased 10% over Q2/23, primarily reflecting similar costs spread over lower production volumes, but remaining amongst the lowest in Crew's peer group.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Petroleum and natural gas sales	**75,824**	66,623	**160,260**	167,304
Cash provided by operating activities	**50,823**	69,952	**96,831**	136,596
Adjusted funds flow[2]	**41,413**	59,035	**92,610**	133,552
Per share[3] – basic	**0.26**	0.38	**0.59**	0.87
– diluted	**0.26**	0.36	**0.57**	0.83
Net income	**13,451**	33,729	**24,077**	75,083
Per share – basic	**0.09**	0.22	**0.15**	0.49
– diluted	**0.08**	0.21	**0.15**	0.46
Property, plant and equipment expenditures	**15,856**	37,657	**93,017**	59,818
Net property dispositions[4]	**-**	(966)	**-**	(996)
Net capital expenditures[4]	**15,856**	36,661	**93,017**	58,822

Capital Structure ($ thousands)	**As at Jun. 30, 2024**	As at Dec. 31, 2023
Other long-term obligations	**(18,223)**	(18,223)
Bank loan	**(97,760)**	(74,259)
Working capital deficiency[2]	**(8,535)**	(24,873)
Net debt[2]	**(124,518)**	(117,355)
Common shares outstanding (thousands)	**157,252**	156,560

OPERATIONAL	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Daily production				
Light crude oil (bbl/d)	**64**	74	**70**	73
Natural gas liquids (“ngl”)[5,6] (bbl/d)	**2,425**	2,342	**2,345**	2,348
Condensate (bbl/d)	**6,131**	3,671	**5,797**	4,119
Natural gas (mcf/d)	**123,800**	143,752	**127,016**	149,738
Total (boe/d @ 6:1)	**29,253**	30,046	**29,381**	31,496
Average realized[3]				
Light crude oil price ($/bbl)	**94.60**	83.30	**87.25**	83.91
Natural gas liquids price ($/bbl)	**29.56**	23.20	**30.86**	30.98
Condensate price ($/bbl)	**96.86**	88.72	**93.19**	94.02
Natural gas price ($/mcf)	**1.31**	2.41	**2.06**	3.06
Commodity price ($/boe)	**28.48**	24.37	**29.97**	29.35

	Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Netback ($/boe)				
Petroleum and natural gas sales	**28.48**	24.37	**29.97**	29.35
Royalties	**(2.29)**	(1.95)	**(2.52)**	(3.09)
Realized gain on derivative financial instruments	**0.03**	8.87	**0.25**	6.71
Net operating costs[4]	**(4.83)**	(4.43)	**(4.57)**	(4.21)
Net transportation costs[4]	**(3.69)**	(3.43)	**(3.74)**	(3.36)
Operating netback[4]	**17.70**	23.43	**19.39**	25.40
General and administrative ("G&A")	**(1.15)**	(1.09)	**(1.17)**	(1.12)
Interest expenses on debt[4]	**(1.00)**	(0.73)	**(0.90)**	(0.85)
Adjusted funds flow netback[2]	**15.55**	21.61	**17.32**	23.43

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

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

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

[4] Non-IFRS financial measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with calculations of similar measures or ratios for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this report and in our most recently filed MD&A, available on SEDAR+ at sedarplus.ca.

[5] Throughout this report, NGLs comprise all natural gas liquids as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), other than condensate, which is disclosed separately, and natural gas means conventional natural gas by NI 51-101 product type.

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

[7] Does not include light crude oil volumes which totaled 64 bbl/d in Q2/24, and represented approximately 1% of total production and 1% of sales.

STAYING FOCUSED ON EXECUTION

Crew's continued efforts to focus on higher-value liquids volumes led to a 65% increase in condensate and light crude oil production in Q2/24 over the same period in 2023, which helped to offset the impact of lower natural gas prices and drive per share AFF[3] that was higher than market expectations. As outlined in Crew's Q1 2024 results release, the Company prudently elected to curtail production of predominantly dry natural gas in light of ongoing weakness in natural gas prices. Crew also took the opportunity to layer on additional hedges for 2025 designed to help mitigate volatility in future periods. The team's efficient execution supported capital expenditures that were approximately 29% under the midpoint of quarterly guidance, resulting in robust free AFF[4] and enabling the Company to reduce net debt[2] by 16% in Q2/24 over the previous quarter-end. Crew's disciplined capital allocation strategy continued to high-grade opportunities offering the greatest value creation potential, while ensuring our ability to advance long-term strategic infrastructure projects.

During the quarter, the Company continued to progress both the West Septimus Gas Plant electrification project, along with the Groundbirch facility project. Electrification construction at West Septimus is currently anticipated to commence in the fourth quarter of 2024, and once completed, is expected to reduce emissions while also projected to result in potential savings of approximately 10% on operating costs annually. This project demonstrates our commitment to balancing economic benefit with responsible resource development. We gratefully acknowledge the Province of British Columbia's CleanBC Industry Fund for their part in supporting this project.

Geographically and operationally, Crew is strategically positioned for value creation. With over 340 net sections of Montney rights in the liquids-rich gas, condensate and oil windows, access to multiple Canadian and US sales hubs, and being in close proximity to the Coastal GasLink Pipeline, we are uniquely positioned to capitalize on emerging opportunities. Additionally, the startup of Canada's first liquefied natural gas ("LNG") export terminal earlier in 2024 offers significant potential for growth and strengthens Crew's strategic advantage in the evolving natural gas supply and demand landscape.

OPERATIONS UPDATE

NE BC Montney (Greater Septimus)

- On the 7-18 pad, five (5.0 net) UCR wells were equipped and tied-in through permanent production facilities during the quarter, with average well performance of 65,924 bbls (680 bbls per day) of raw condensate over the first 97 days on production, flowing against average pressures in excess of 3,000 kPa.
- Condensate production was further supported in the period by the performance of four (4.0 net) UCR Montney B zone wells on the 1-24 pad that were equipped during Q1/24, which flowed at an average of 118,672 bbls (492 bbls per day) of raw condensate over the first 241 days.

Groundbirch

- The original three (3.0 net) wells on the 4-17 pad have completed lateral lengths averaging 3,000 meters and have produced an average of 4.56 bcf of natural gas over the first 900 days on production, exceeding Sproule's year-end 2023 proved plus probable ("2P") undeveloped Groundbirch type curve (the "Sproule Groundbirch Type Curve") by approximately 33% to date.
- The second phase of development at Crew's 4-17 pad has completed lateral lengths averaging 2,650 meters, featuring a three-zone development with five (5.0 net) wells that have averaged 4,370 mcf per day over the first 670 days on production and continue to exceed the Sproule Groundbirch Type Curve when normalized to 3,000 meters, with estimated average raw gas assignments (EUR) of 12 BCF per well[8].
- The Company has six (6.0 net) drilled wells on the 4-17 pad at Groundbirch, which are expected to remain in inventory for completion when natural gas prices improve. These wells were drilled during Q1/24 and have average lateral lengths of over 3,000 meters.

Other NE BC Montney

- The Company commenced preparations for the completion of six (6.0 net) Extended Reach Horizontal ("ERH") wells on the 15-28 pad at Tower during the quarter, which targeted light crude oil and featured lateral lengths of over 4,000 meters.
- Early in Q3/24, the six (6.0 net) ERH Tower wells, including four (4.0 net) Upper Montney "B' wells and two (2.0 net) Upper Montney "C" wells, have been completed and have just begun flowing back. Production is expected to be positively impacted once these wells have cleaned up in the latter part of Q3.

RISK MANAGEMENT PROFILE

Crew uses hedging strategies to mitigate exposure to fluctuations in commodity prices and foreign exchange rates. This approach secures a stable base level of AFF[2] to support planned capital projects, while still allowing the Company to benefit from favorable spot commodity prices.

As of August 7, 2024, our hedging profile includes:

2024

- 2,500 GJ per day of AECO natural gas at an average price of C$2.88 per GJ, or C$3.51 per mcf using Crew's heat factor, for the remainder of 2024;
- 1,750 bbls per day of condensate at an average price of C$104.01 per bbl for 2nd half 2024;
- 500 bbls per day of WTI at C$109.25 per bbl for 2nd half 2024.

[8] See "Advisories – Type Curves / Wells".

2025

- 7,500 GJ per day of AECO natural gas at an average price of C$3.08 per GJ, or C$3.76 per mcf using Crew's heat factor, for 2025;
- 15,000 GJ per day of AECO natural gas utilizing costless collars at $2.78 by $3.28 per GJ, for 2025;
- 750 bbls per day of condensate at an average price of C$101.10 per bbl for 1st half of 2025; and
- 250 bbls per day of condensate at an average price of C$100.00 per bbl for 2nd half of 2025.

PROTECTING OUR CREW

In Q2/24, Crew continued to prioritize safety, corporate citizenship and efficient operations and we are proud to confirm the Company had no recordable injuries or reportable spills during the period. Crew would like to thank our supervisors, employees and contractors for their diligent efforts to make the Company a safe place to work for everyone in our Crew.

Additional highlights for Q2/24 include:

- Over six years without a lost time injury, and more than two million consecutive person-hours of work have been completed without a recordable injury to the end of Q2/24, a corporate record.
- Maintained a comprehensive water management strategy that includes plans for stringent usage and responsible sourcing.
- The Company's 2024 summer student program is well underway with five university students working in various disciplines across the organization to gain valuable industry experience.
- Continued our "Crew Cares" program in Q2/24, with volunteering efforts focused on Ronald McDonald House and Made by Momma, and financial contributions to community support initiatives and not-for-profit organizations. Crew's financial contributions in the quarter were primarily aimed at supporting children's sports events, health and well-being in nearby communities, and local indigenous events.

OUTLOOK

The Company's previously announced annual net capital expenditure and production guidance remains unchanged and is outlined below.

- **2024 Guidance** – Continue to increase the proportion of higher-value condensate and light crude oil in the production mix, further enhancing AFF[2]. The success of this strategy was demonstrated in Q2/24, with Crew generating robust condensate volumes that represented the majority of sales and only one-fifth of total production. The Company will also continue to preserve the value of our natural gas assets by shutting-in production during periods of price weakness or by deferring development. The Company's previously announced 2024 capital program is designed to:
    - ✓ Allocate $165 to $185 million of planned net capital expenditures[4], to be invested as follows:
        - ▪ Drill 6.0 net wells and complete 11.0 net wells, targeting to have an inventory of 10.0 net wells drilled and uncompleted at year-end 2024.
        - ▪ Infrastructure spending that includes:
            - Progressing West Septimus electrification.
            - Front-end engineering and design ("FEED") work along with site preparation at the future Groundbirch plant.
    - ✓ Generate average 2024 production forecasted at 29,000 to 31,000 boe per day[1].
        - ▪ Expand annual condensate and light oil production by more than 20% over 2023.
    - ✓ Continue to manage natural gas production to balance the optimization of AFF[2] and preservation of value, by curtailing approximately 1,700 boe per day of natural gas production through Q3/24.

- ✓ Maintain the Company's current strong financial position with targeted net debt[2] to LTM EBITDA[3] of <1.0x (Q2/24 was 0.6x).
- ✓ Advance the planned electrification of the West Septimus gas plant.
    - Increase plant capacity by 20 mmcf per day to total 140 mmcf per day in 2025.
    - Reduce operating costs by more than 10% annually.
    - Target reductions in CO_2 emissions and potentially generate carbon credits under BC's Output-Based Pricing System.
- ✓ Position the Company to thrive and grow in an improved natural gas price environment.

- **Q3 Capital Program** – Our Q3/24 capital program is focused on the advancement of our light oil assets at Tower and continued development of our condensate-rich assets at Greater Septimus, and includes:
    - ✓ Allocation of $60 to $70 million of net capital expenditures[4].
    - ✓ Ongoing expenditures on electrification at the West Septimus gas plant.
    - ✓ Completion and tie-in of six (6.0 net) wells in the Tower area.
    - ✓ Generate estimated average Q3/24 production of 27,000 to 29,000 boe per day[1], assuming approximately 1,700 boe per day remains curtailed for the quarter.

- **Wildfire monitoring** – At this time, Crew's operations have remained unaffected by wildfires in northeast BC. Our team continues to actively monitor fire risks in the areas surrounding our operations to ensure the safety of our people and operations and would be ready to mobilize should circumstances change.

The following table sets forth Crew's annual guidance that is consistent with the guidance outlined in the Company's Q1/24 press release:

	2024 Guidance and Assumptions[9]
Net capital expenditures[4] ($Millions)	**165–185**
Annual average production[1] (boe/d)	**29,000–31,000**
Natural gas weighting	**72-74%**
Royalties	**9–11%**
Net operating costs[4] ($ per boe)	**$4.50–$5.00**
Net transportation costs[4] ($ per boe)	**$3.50–$4.00**
G&A ($ per boe)	**$1.00–$1.20**
Effective interest rate on long-term debt	**8.0–10.0%**

Crew remains focused on advancing our strategic vision to unlock the value of our Montney assets and intensify efforts to expand condensate production. With the continued support and dedication of all employees and contractors, along with the unwavering commitment of our Board of Directors, we look forward to building on our past success and driving sustainable future growth for the Company and our shareholders.

[9] 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.

ABOUT CREW

Crew is a Canadian liquids-rich natural gas producer committed to pursuing sustainable per share growth through financially responsible resource development. The Company's operations are focused in northeast British Columbia and include a large contiguous land base with a vast Montney resource. Crew's liquids-rich natural gas areas of Septimus and West Septimus are complemented by the inter-connected vast dry-gas resource at Groundbirch, offering 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 the Company's fundamental business tenets. Crew's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR" and on the OTCQB in the US under ticker "CWEGF".

ADVISORIES

Forward-Looking Information and Statements

This report contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" "targets", "goals" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this report contains forward-looking information and statements pertaining to the following: the ability to execute on its near and longer range strategic plan (the "Strategic Plan") and underlying strategy, associated plans, goals and targets, all as more particularly outlined and described in this report; our 2024 annual capital budget range (the "2024 Budget"), associated drilling, completion and infrastructure plans, the anticipated timing thereof, and all associated strategies, initiatives, goals and targets, along with all forecasts, guidance and underlying assumptions and sensitivities related to the 2024 Budget, along with Q3 capital plans and associated guidance, as outlined in the "Outlook" section in this report; production estimates and targets under the 2024 Budget and balance of the longer range plan including expected curtailed volumes, infrastructure plans and anticipated benefits associated therewith as outlined in this report including, without limitation, the planned expansion and electrification of the West Septimus gas plant and anticipated associated metrics estimates, economic and other benefits thereof, expectations in regards to the extent of provincial and federal government grants, credits and financial incentives related thereto, the planned construction of the Groundbirch Plant and anticipated benefits thereof, anticipated timing and assumed receipt of all regulatory approvals required in connection with our infrastructure plans and our ability to secure financing for these plans as may be required, from time to time, and the potential costs associated therewith; commodity price expectations and assumptions; Crew's commodity risk management programs and future hedging plans; marketing and transportation and processing plans and requirements; the potential for coastal liquids egress via the CN rail line; estimates of processing capacity and requirements; anticipated reductions in GHG emissions and decommissioning obligations; future liquidity and financial capacity and ability to finance our Strategic Plan; potential hedging opportunities and plans related thereto; future results from operations and targeted operating and leverage metrics; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition, disposition and infrastructures activities (including our capital investment model and associated drilling and completion plans, associated receipt of all required regulatory permits for our Strategic Plan, development timing and cost estimates); the potential to serve a Canadian LNG market including the anticipated start-up of LNG Canada in 2025 and the anticipated benefits thereof to the Corporation both strategically and economically; the potential of our Groundbirch area to be a core area of future development and the anticipated commerciality of up to four potential prospective zones to be drilled; and the expected positive attributes discussed herein attributable to our Strategic Plan.

The internal projections, expectations, or beliefs underlying our Board approved 2024 Budget and associated guidance, as well as management's strategy, and associated plans, goals and targets in respect of the balance of its strategic plan, are subject to change in light of, without limitation, the continuing impact of the Russia/Ukraine conflict, war in the Middle East and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, volatile commodity prices, resulting changes in our underlying assumptions, goals and targets provided herein and changes in industry conditions and regulations. Crew's financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions, for such time periods and as at the date of this report based upon the key assumptions outlined herein. Readers are cautioned that events or circumstances and updates to underlying assumptions could cause capital plans and associated results to differ materially from those predicted and Crew's guidance for 2024, and more particularly its internal model, goals and targets for 2025 and beyond which are not based upon Board approved budget(s) at this time, may not be appropriate for other purposes. Accordingly, undue reliance should not be placed on same.

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

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

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

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

Risk Factors to the Company's Strategic Plan

Risk factors that could materially impact successful execution and actual results of the Company's strategic plan include:

- volatility of petroleum and natural gas prices and inherent difficulty in the accuracy of predictions related thereto;
- changes in Federal and Provincial regulations;
- execution of construction timelines from BC Hydro to support the electrification of the West Septimus and Groundbirch plants;
- receipt of high-value regulatory permits required to launch development under the strategic plan;
- the Company's ability to secure financing for the Groundbirch plant; and
- those additional risk factors set forth in the Company's most recently filed MD&A and Annual Information Form on SEDAR+.

Information Regarding Disclosure on Oil and Gas Operational Information

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

Test Results and Initial Production Rates

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

Type Curves/Wells

The Groundbirch type curves referenced herein reflect the average per well proved plus probable undeveloped raw gas assignments (EUR) for Crew's area of operations, as derived from the Company's year-end independent reserve evaluations prepared by Sproule in accordance with the definitions and standards contained in the COGE Handbook. Unless otherwise stated, the type wells are based upon all Crew producing wells in the area as well as non-Crew wells determined by the independent evaluator to be analogous for purposes of the reserve assignments. There is no guarantee that Crew will achieve the estimated or similar results derived therefrom and therefore undue reliance should not be placed on them. Such information has been prepared by Management, where noted, for purposes of making capital investment decisions and for internal budget preparation only.

BOE and Mcfe Conversions

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

Non-IFRS and Other Financial Measures

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

Capital Management Measures

a) Funds from Operations and Adjusted Funds Flow

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

b) Net Debt and Working Capital Surplus (Deficiency)

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

Non-IFRS Financial Measures and Ratios

a) Net Property Acquisitions (Dispositions)

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

b) Net Capital Expenditures

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

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, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Adjusted funds flow	**41,413**	51,197	59,035	**92,610**	133,552
Interest expense on debt	**2,673**	2,134	2,003	**4,807**	4,818
EBITDA	**44,086**	53,331	61,038	**97,417**	138,370

d) Free Adjusted Funds Flow

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

($ thousands)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Cash provided by operating activities	**50,823**	46,008	69,952	**96,831**	136,596
Change in operating non-cash working capital	**(10,779)**	3,163	(12,154)	**(7,616)**	(7,634)
Accretion of deferred financing costs	**-**	-	(49)	**-**	(199)
Funds from operations	**40,044**	49,171	57,749	**89,215**	128,763
Decommissioning obligations settled excluding government grants	**1,369**	2,026	1,286	**3,395**	4,789
Adjusted funds flow	**41,413**	51,197	59,035	**92,610**	133,552
Less: property, plant and equipment expenditures	**15,856**	77,161	37,657	**93,017**	59,818
Free adjusted funds flow	**25,557**	(25,964)	21,378	**(407)**	73,734

e) Net Operating Costs

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

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Operating expenses	**13,375**	12,130	12,712	**25,505**	25,270
Processing revenue	**(520)**	(552)	(610)	**(1,072)**	(1,246)
Net operating costs	**12,855**	11,578	12,102	**24,433**	24,024
Per boe	**4.83**	4.31	4.43	**4.57**	4.21

f) Net Operating Costs per boe

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

g) Net Transportation Costs

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

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Transportation expenses	**12,451**	11,626	10,967	**24,077**	22,255
Transportation revenue	**(2,634)**	(1,437)	(1,576)	**(4,071)**	(3,096)
Net transportation costs	**9,817**	10,189	9,391	**20,006**	19,159
Per boe	**3.69**	3.79	3.43	**3.74**	3.36

h) Net Transportation Costs per boe

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

i) Operating Netback per boe

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

j) Cash costs per boe

Cash costs per boe is comprised of net operating, transportation, general and administrative and interest expense 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, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Net operating costs	**4.83**	4.31	4.43	**4.57**	4.21
Net transportation costs	**3.69**	3.79	3.43	**3.74**	3.36
General and administrative expenses	**1.15**	1.18	1.09	**1.17**	1.12
Interest expense on debt	**1.00**	0.79	0.73	**0.90**	0.85
Cash costs	**10.68**	10.07	9.68	**10.38**	9.54

k) Interest expense on debt per boe

Interest expense 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 interest expense on debt per boe as an important measure to evaluate its cost of debt financing.

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30,2024**	Six months ended June 30, 2023
Interest on bank loan and other	**2,673**	2,134	1,127	**4,807**	1,035
Interest on senior notes	**-**	-	827	**-**	3,584
Accretion of deferred financing charges	**-**	-	49	**-**	199
Interest expense on debt	**2,673**	2,134	2,003	**4,807**	4,818
Production (boe/d)	**29,253**	29,510	30,046	**29,381**	31,496
Interest expense on debt per boe	**1.00**	0.79	0.73	**0.90**	0.85

Supplementary Financial Measures

"Adjusted funds flow margin" is comprised of adjusted funds flow divided by petroleum and natural gas sales.

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

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

"Adjusted funds flow per boe" or **"AFF netback"** is comprised of adjusted funds flow divided by total production.

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

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

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

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

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

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

Supplemental Information Regarding Product Types

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

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

	Light & Medium Crude Oil	Condensate	Natural Gas Liquids[1]	Conventional Natural Gas	Total (boe/d)
Q3 2024 Average	5%	17%	8%	70%	27,000–29,000
2024 Annual Average	3%	17%	8%	72%	29,000–31,000

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

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

BASIS OF PRESENTATION

Management's discussion and analysis ("MD&A") is the explanation of the financial performance for the period covered by the financial statements along with an analysis of the financial position of the Company. Comments relate to and should be read in conjunction with the unaudited condensed interim financial statements of the Company for the three and six month periods ended June 30, 2024 and 2023. The unaudited condensed interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting of the IFRS Accounting 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, 2023. All figures provided herein and in the June 30, 2024 unaudited condensed interim financial statements are reported in Canadian dollars ("CDN"). This MD&A is dated August 7, 2024.

RESULTS OF OPERATIONS

Quarterly Overview

In the second quarter of 2024, Crew's production averaged 29,253 boe per day, slightly lower than the previous quarter largely due to shut-in natural gas production as a result of low natural gas pricing. This decrease was partially offset by new production from the five ultra-condensate rich ("UCR") wells on the 7-18 pad, added near the end of the first quarter of 2024, which led to an increase in condensate production of 12% as compared to the prior quarter. Crew invested $15.9 million in its exploration and development program in the second quarter focused on the equipping of the five 7-18 wells and on the continued advancement of the West Septimus gas plant electrification project.

The Company's realized natural gas price in the second quarter was $1.31 per mcf, a 53% decrease as compared to the previous quarter as natural gas prices remain weak due to low demand resulting from mild weather during the first half of the year, combined with higher production in both Canada and the United States ("U.S."). The Company's combined liquids pricing, including crude oil, condensate and other natural gas liquids ("ngl"), averaged $77.91 per barrel, an increase from $72.51 in the first quarter of 2024. The Company continues to benefit from its increased condensate production, which has increased 67% as compared to the same period in 2023, as strong condensate and ngl pricing prevailed. Canadian crude oil and condensate prices increased as compared to the first quarter of 2024 as a result of continued global crude supply risk associated with the Russia/Ukraine and Middle East conflicts, combined with OPEC+ nations sustained adherence to production quotas.

Crew generated adjusted funds flow ("AFF") of $41.4 million in the period, a 19% decline from the first quarter predominantly due to a decrease in natural gas prices partially offset by the 22% increase in condensate revenue. Cash costs were $10.68 per boe in the second quarter of 2024, a 6% increase from the previous quarter, as a result of higher net operating costs per unit due an increase in carbon taxes and lower production in the period, and higher interest expense on debt per boe due to increased drawings on the bank loan for the financing of continued capital investment. Second quarter AFF, combined with lower capital spending in the quarter, resulted in $25.5 million of Free AFF leading to a 16% reduction in Net Debt to $124.5 million with net debt to LTM EBITDA(1) of 0.6 times which is consistent with 0.6 times in the first quarter of 2024. At June 30, 2024, 39% was drawn on the Company's $250 million bank facility.

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

Production(1)

	Three months ended June 30, 2024	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Light crude oil (bbl/d)	**64**	76	74	**70**	73
Natural gas liquids (bbl/d)	**2,425**	2,265	2,342	**2,345**	2,348
Condensate (bbl/d)	**6,131**	5,464	3,671	**5,797**	4,119
Natural gas (mcf/d)	**123,800**	130,232	143,752	**127,016**	149,738
Total (boe/d)	**29,253**	29,510	30,046	**29,381**	31,496

Notes:
(1) Throughout this MD&A unless otherwise specified, 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 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.

Second quarter 2024 compared to first quarter 2024:

Production during the second quarter of 2024 decreased slightly as compared to the previous quarter, the result of approximately 1,700 boe per day of production shut-in during the quarter, primarily due to low natural gas prices. Condensate production increased 12% from the previous quarter, which includes production from the five new UCR wells that were added near the end of the first quarter.

Second quarter 2024 compared to second quarter 2023:

Production during the second quarter of 2024 decreased 3% over the same period in 2023, as a result of production declines on Greater Septimus and Groundbirch area wells brought on production in 2023 combined with the aforementioned shut-in production due to low natural gas prices. This was partially offset by the successful execution of drilling and completion activities that included the addition of 17 new producing wells in the Greater Septimus area over the past twelve months. Condensate production increased 67% as compared to the same period in 2023, aided by production from the five new UCR wells that were added near the end of the first quarter.

First half of 2024 compared to first half of 2023:

Production during the first half of 2024 decreased 7% over the same period in 2023, as a result of expected production declines combined with approximately 1,300 boe per day of shut-in production, shut-in for the period due primarily to low natural gas prices. This was partially offset by the successful execution of the aforementioned drilling and completion activities in the Greater Septimus area over the past year. Condensate production increased 41% from the first half of 2023, which includes production from the five new UCR wells that were added near the end of the first quarter and the six wells that were added on the 1-24 pad in the fourth quarter of 2023.

Petroleum and Natural Gas Sales

	Three months ended June 30, 2024	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Petroleum and natural gas sales(1) ($ thousands)					
Light crude oil	**552**	563	562	**1,115**	1,103
Natural gas liquids	**6,523**	6,649	4,945	**13,172**	13,168
Condensate	**54,043**	44,287	29,639	**98,330**	70,098
Natural gas	**14,706**	32,937	31,477	**47,643**	82,935
Total	**75,824**	84,436	66,623	**160,260**	167,304
Average realized(2)					
Light crude oil price ($/bbl)	**94.60**	81.08	83.30	**87.25**	83.91
Natural gas liquids price ($/bbl)	**29.56**	32.25	23.20	**30.86**	30.98
Condensate price ($/bbl)	**96.86**	89.08	88.72	**93.19**	94.02
Natural gas price ($/mcf)	**1.31**	2.78	2.41	**2.06**	3.06
Commodity price ($/boe)	**28.48**	31.44	24.37	**29.97**	29.35
Benchmark pricing					
Light crude oil – WTI (Cdn $/bbl)	**110.27**	103.82	99.11	**107.05**	101.00
Condensate – Condensate @ Edmonton (Cdn $/bbl)	**105.61**	98.09	97.17	**101.85**	102.55
Natural Gas:					
AECO 5A daily index (Cdn $/mcf)	**1.18**	2.50	2.45	**1.84**	2.83
AECO 7A monthly index (Cdn $/mcf)	**1.44**	2.05	2.35	**1.74**	3.34
Alliance 5A (Cdn $/mcf)	**1.27**	2.68	1.94	**1.97**	2.46
Chicago City-Gate at NIT (Cdn $/mcf)	**1.01**	2.55	1.41	**1.78**	1.86
Chicago Interstates at ATP (Cdn $/mcf)	**1.49**	2.91	1.93	**2.20**	2.39
Dawn at NIT (Cdn $/mcf)	**1.25**	2.02	1.73	**1.63**	2.19
Henry Hub Close (Cdn $/mcf)	**2.59**	3.02	2.82	**2.81**	3.72
Station 2 (Cdn $/mcf)	**0.76**	2.59	1.89	**1.67**	2.39
Natural gas sales portfolio					
AECO 5A	**44%**	53%	55%	**49%**	59%
AECO 7A	**17%**	3%	-	**10%**	-
Alliance 5A	**5%**	4%	8%	**4%**	8%
Chicago City-Gate at NIT	**12%**	12%	6%	**12%**	4%
Chicago Interstates at ATP	**7%**	7%	6%	**7%**	6%
Dawn at NIT	**12%**	11%	10%	**12%**	8%
Henry Hub	**-**	-	3%	**-**	2%
Station 2	**3%**	10%	12%	**6%**	13%

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 2024 compared to first quarter 2024:

In the second quarter of 2024, the Company's petroleum and natural gas sales decreased 10% as compared to the previous quarter mainly due to the decline in the average realized commodity price.

The Company's second quarter average realized light crude oil price increased 17% as compared to the previous quarter, which was greater than the 6% increase in the Company's West Texas Intermediate ("WTI") benchmark price, due to lower Canadian differential deductions to WTI.

Crew's average realized ngl price decreased 8% in the second quarter as compared to the previous quarter, due to decreases in the value of component pricing across North America, primarily for propane. The Company's second quarter average realized condensate price increased 9% as compared to the previous quarter, which was consistent with the 8% increase in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price decreased 53% in the second quarter of 2024 as compared to the previous quarter, which is higher than the 46% decrease in the Company's natural gas sales portfolio weighted benchmark price as a result of fixed differential sales contracts that negatively impacted the Company's realized natural gas price in the second quarter of 2024.

Second quarter 2024 compared to second quarter 2023:

Second quarter 2024 petroleum and natural gas sales increased 14% as compared to the same period in 2023, mainly due to the 17% increase in the average realized commodity price.

The Company's average realized light crude oil price increased 14% in the second quarter of 2024 as compared to the same period in 2023, which is consistent with the 11% increase in the Company's WTI benchmark price.

Crew's average realized ngl price increased 27% in the second quarter as compared to the same period in 2023, due to increases in the value of ngl component pricing across North America. The Company's second quarter average realized condensate price increased 9% over the same period in 2023, which was consistent with the 9% increase in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price decreased by 46% in the second quarter of 2024 as compared to the same period in 2023, which is higher than the 38% decrease in the Company's natural gas sales portfolio as a result of fixed differential sales contracts that negatively impacted the Company's realized natural gas price in the second quarter of 2024.

First half of 2024 compared to first half of 2023:

The first half of 2024 petroleum and natural gas sales decreased 4% as compared to the same period in 2023, due to the decline in production, partially offset by a slight increase in the average realized commodity price.

The Company's first half 2024 average realized light crude oil price increased 4% as compared to the same period in 2023, which is consistent with the 6% increase in the Company's WTI benchmark price.

Crew's average realized ngl price was relatively flat as compared to the same period in 2023. The Company's first half of 2024 average realized condensate price decreased slightly over the same period in 2023, which was consistent with the marginal decrease in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price decreased by 33% in the first half of 2024 as compared to the same period in 2023, which is higher than the 27% decrease in the Company's natural gas sales portfolio as a result of fixed differential sales contracts that negatively impacted the Company's realized natural gas price in the second quarter of 2024.

Royalties

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Royalties	**6,086**	7,398	5,345	**13,484**	17,610
Per boe	**2.29**	2.75	1.95	**2.52**	3.09
Percentage of petroleum and natural gas sales	**8.0%**	8.8%	8.0%	**8.4%**	10.5%

For the second quarter of 2024, royalties per boe increased as compared to the same period in 2023 due to the increased production and realized pricing for condensate. For the second quarter and first half of 2024, royalties per boe decreased as compared to the previous quarter and the same period in 2023, due to lower natural gas pricing that attracted minimum sliding scale royalty rates, combined with production on new wells that attract lower royalty rates and royalty program incentives.

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 statements of income and comprehensive income:

($ thousands)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Realized gain on derivative financial instruments	**87**	1,237	24,241	**1,324**	38,243
Per boe	**0.03**	0.46	8.87	**0.25**	6.71
Unrealized gain (loss) on derivative financial instruments	**2,145**	(11,684)	(17,961)	**(9,539)**	(9,723)

As at June 30, 2024, the Company held derivative commodity contracts as outlined in note 4 of the Company's condensed financial statements.

Net Operating Costs[(1)]

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Operating expenses	**13,375**	12,130	12,712	**25,505**	25,270
Processing revenue	**(520)**	(552)	(610)	**(1,072)**	(1,246)
Net operating costs[(1)]	**12,855**	11,578	12,102	**24,433**	24,024
Per boe[(1)]	**4.83**	4.31	4.43	**4.57**	4.21

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by IFRS Accounting 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 and net operating costs per boe increased in the second quarter 2024 and first half of 2024 as compared to the previous quarter and the same periods in 2023 due to an increase in carbon taxes, higher equipment maintenance charges and reduced third party processing revenues, combined with the decrease in production volumes.

Net Transportation Costs(1)

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Transportation expenses	**12,451**	11,626	10,967	**24,077**	22,255
Transportation revenue	**(2,634)**	(1,437)	(1,576)	**(4,071)**	(3,096)
Net transportation costs(1)	**9,817**	10,189	9,391	**20,006**	19,159
Per boe(1)	**3.69**	3.79	3.43	**3.74**	3.36

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by IFRS Accounting 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 transportation costs and costs per boe decreased in the second quarter of 2024 as compared to the previous quarter as a result of the elimination of higher per unit variable transportation costs associated with natural gas production that was shut-in during the second quarter due to low pricing. Net transportation costs and costs per boe increased in the second quarter and first half of 2024 compared to the same periods in 2023, as a result of rate increases in natural gas pipeline tariffs effective January 1, 2024 combined with increased costs for condensate transportation.

Transportation revenue is derived from the assignment of a portion of the Company's committed long-term natural gas transportation to a third-party who manages the transportation and markets an equivalent volume of the Company's natural gas sales on Crew's behalf, and includes transportation that has been assigned to another third-party.

Operating Netbacks(1)

($/boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Petroleum and natural gas sales	**28.48**	31.44	24.37	**29.97**	29.35
Royalties	**(2.29)**	(2.75)	(1.95)	**(2.52)**	(3.09)
Realized gain on derivative financial instruments	**0.03**	0.46	8.87	**0.25**	6.71
Net operating costs(1)	**(4.83)**	(4.31)	(4.43)	**(4.57)**	(4.21)
Net transportation costs(1)	**(3.69)**	(3.79)	(3.43)	**(3.74)**	(3.36)
Operating netbacks(1)	**17.70**	21.05	23.43	**19.39**	25.40
Production (boe/d)	**29,253**	29,510	30,046	**29,381**	31,496

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by IFRS Accounting 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 2024 decreased 16% from the previous quarter, primarily as a result of lower petroleum and natural gas sales combined with lower realized gains on derivative financial instruments and higher net operating costs, partially offset by lower royalties and net transportation costs

Operating netbacks for the second quarter of 2024 and first half of 2024 decreased 24% over the same periods in 2023 as a result of lower realized gains on derivative financial instruments and higher net operating and net transportation costs, partially offset by higher petroleum and natural gas sales.

General and Administrative

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Gross costs	**4,732**	4,805	4,534	**9,537**	9,692
Operators' recoveries	**(11)**	(20)	5	**(31)**	1
Capitalized costs	**(1,654)**	(1,608)	(1,551)	**(3,262)**	(3,309)
General and administrative expenses	**3,067**	3,177	2,988	**6,244**	6,384
Per boe	**1.15**	1.18	1.09	**1.17**	1.12

G&A costs decreased in the second quarter of 2024 as compared to the previous quarter due to lower professional services costs incurred in the quarter. G&A per boe increased in the second quarter and first half of 2024 as compared to the same periods in 2023 as a result of lower production. For the second quarter of 2024, G&A per boe decreased as compared to the previous quarter as a result of lower gross G&A costs, partially offset by lower production.

Share-Based Compensation

($ thousands)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Gross costs	**3,153**	4,227	3,454	**7,380**	8,933
Capitalized costs	**(1,526)**	(2,046)	(1,630)	**(3,572)**	(4,249)
Share-based compensation expenses	**1,627**	2,181	1,824	**3,808**	4,684

In the second quarter and first half of 2024, the Company's share-based compensation expenses decreased as compared to the previous quarter and same periods in 2023 as a result of a lower performance multiplier applied to certain performance awards, as compared to the same periods in 2023.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Depletion and depreciation expenses	**22,410**	21,985	21,847	**44,395**	45,140
Per boe	**8.42**	8.19	7.99	**8.30**	7.92

Depletion and depreciation expenses per boe increased in the second quarter and first half of 2024 as compared to the previous quarter and same periods in 2023 as a result of a change in the production mix between areas, where there was increased production in areas that yield higher depletion rates than the corporate average and an increase in depreciation on workovers.

At June 30, 2024, the Company completed an indicators of impairment assessment and concluded that an impairment test was not required.

Financing

($ thousands, except per boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Interest on bank loan and other	**2,673**	2,134	1,127	**4,807**	1,035
Interest on senior unsecured notes	**-**	-	827	**-**	3,584
Interest on lease obligations	**14**	16	21	**30**	44
Accretion of deferred financing charges	**-**	-	49	**-**	199
Accretion of the decommissioning obligation	**381**	351	318	**732**	764
Loss on redemption of 2024 Notes	**-**	-	813	**-**	813
Financing expenses	**3,068**	2,501	3,155	**5,569**	6,439
Average long-term debt level(1)	**103,615**	76,127	95,651	**89,871**	133,647
Average drawings on bank loan(1)	**103,615**	76,127	45,618	**89,871**	22,465
Average senior unsecured notes outstanding(1)	**-**	-	51,033	**-**	111,182
Effective interest rate on senior unsecured notes	**-**	-	6.5%	**-**	6.5%
Effective interest rate on long-term debt	**8.4%**	8.5%	7.5%	**8.5%**	6.8%
Interest expense on debt per boe(2)	**1.00**	0.79	0.73	**0.90**	0.85

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 IFRS Accounting 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 financing expenses decreased in the second quarter and first half of 2024 as compared to the same periods in 2023, due to the redemption of $172 million of senior unsecured notes in the second quarter of 2023, partially offset by the loss incurred on redemption of the 2024 Notes and an increase in interest rates. The Company's financing expenses increased in the second quarter of 2024 as compared to the previous quarter due to increased drawings on the bank loan for the financing of continued capital investment.

Deferred Tax

In the second quarter and first half of 2024, the provision for deferred tax expense was $5.7 million and $10.0 million respectively, as compared to deferred tax expense of $11.8 million in the second quarter of 2023 and $26.6 million in the first half of 2023. The decrease in deferred tax expense in the second quarter and first half of 2024 was due to lower net income before income taxes in the periods, mainly due to the decrease in realized gains on derivative financial instruments and other income in the second quarter and first half of 2024 as compared to the same periods in 2023.

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

($ thousands, except per share amounts)		**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Cash provided by operating activities		**50,823**	46,008	69,952	**96,831**	136,596
Adjusted funds flow		**41,413**	51,197	59,035	**92,610**	133,552
Per share[(1)]	-basic	**0.26**	0.33	0.38	**0.59**	0.87
	-diluted	**0.26**	0.32	0.36	**0.57**	0.83
Net income		**13,451**	10,626	33,729	**24,077**	75,083
Per share	-basic	**0.09**	0.07	0.22	**0.15**	0.49
	-diluted	**0.08**	0.07	0.21	**0.15**	0.46

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

Cash provided by operating activities, AFF and net income decreased in the second quarter and first half of 2024 as compared to the same periods in 2023, predominantly due to $29 million of non-recurring other income earned in the second quarter of 2023 as well as lower realized gains on derivative financial instruments. Cash provided by operating activities increased in the second quarter of 2024 as compared to the previous quarter due to a decrease in accounts receivable and an increase in operating accounts payable and accrued liabilities, while AFF decreased due to a decrease in petroleum and natural gas sales as a result of weaker commodity prices. Net income increased in the second quarter of 2024 as compared to the previous quarter mainly due to unrealized gains on derivative financial instruments as compared to unrealized losses on derivative financial instruments in the previous quarter.

Capital Expenditures, Property Acquisitions and Dispositions

($ thousands)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Land	**291**	250	286	**541**	540
Seismic	**68**	(75)	194	**(7)**	305
Drilling and completions	**5,317**	57,789	26,007	**63,106**	39,465
Facilities, equipment and pipelines	**7,879**	17,370	9,391	**25,249**	15,908
Other	**2,301**	1,827	1,779	**4,128**	3,600
Total property, plant and equipment expenditures	**15,856**	77,161	37,657	**93,017**	59,818
Net property dispositions[(1)]	**-**	-	(996)	**-**	(996)
Net capital expenditures[(1)]	**15,856**	77,161	36,661	**93,017**	58,822

Note:
(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by IFRS Accounting 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 2024, the Company invested a total of $15.9 million on property, plant and equipment expenditures, focused on the continued development of the Company's Montney assets. During the quarter, $5.3 million was spent on drilling and completion activities, $7.9 million on facilities, equipment and pipelines and $2.7 million on land, seismic, and other miscellaneous items.

Progress continued on key infrastructure projects including expenditures on the electrification of the Company's West Septimus gas processing facility.

GUIDANCE

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

	Current 2024 guidance and assumptions(1
Net capital expenditures(2) ($Millions)	165–185
Annual average production (boe/d)	29,000–31,000
Natural gas weighting	72–74%
Royalties	9–11%
Net operating costs(2) ($ per boe)	$4.50–$5.00
Net transportation costs(2) ($ per boe)	$3.50–$4.00
G&A ($ per boe)	$1.00–$1.20
Effective interest rate on long-term debt	8.0–10.0%

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 IFRS Accounting 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.

The Company has made no changes to its 2024 guidance as compared to the guidance reported at the end of the first quarter of 2024.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. To meet these obligations, the Company maintains a strong liquidity profile with undrawn capacity on the revolving credit facility, which is subject to annual renewal by the lenders and has a contractual maturity in 2026, if not extended. The Company monitors its cash flow and available liquidity to ensure that funds are available to finance operating expenses, planned capital expenditures and to settle long term obligations. Crew does not pay dividends.

Capital Management

The Company considers its capital structure to include working capital, long-term debt (including the bank loan and other long-term obligations) 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 on-going 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, arrange for additional debt or raise funds through asset sales.

The Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations and settle its financial liabilities. 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 tables outline Crew's calculation of working capital and net debt:

($ thousands)	**June 30, 2024**	December 31, 2023
Accounts receivable	**26,908**	33,931
Accounts payable and accrued liabilities	**(35,443)**	(58,804)
Working capital deficiency	**(8,535)**	(24,873)

($ thousands)	**June 30, 2024**	December 31, 2023
Other long-term obligations	**(18,223)**	(18,223)
Bank loan	**(97,760)**	(74,259)
Working capital deficiency	**(8,535)**	(24,873)
Net debt	**(124,518)**	(117,355)

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 credit facility to satisfy working capital requirements. At June 30, 2024, the Company had a working capital deficiency of $8.5 million, with $97.8 million of drawings on its $250 million bank facility described below.

Bank Loan

As at June 30, 2024, the Company's bank facility consists of a revolving line of credit of $220 million and an operating line of credit of $30 million (collectively, the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by May 15, 2025. 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. As the Borrowing Base of the Facility is based on the Company's reserves and future commodity prices and costs, there can be no assurance that the amount of the available Facility will not be adjusted at the next scheduled Borrowing Base review on or before October 15, 2024. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at August 7, 2024, there were 157,252,337 common shares of the Company issued and outstanding, net of 1,566,555 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 2,952,974 restricted awards and 4,818,461 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, 2024, the trustee purchased 653,000 common shares for a total cost of 3.0 million and as at June 30, 2024, the trustee held 1,567,000 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, 2024.

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)	2024	2025	2026	2027	2028	Thereafter
Bank loan (note 1)	-	-	97,760	-	-	-
Other long-term obligations	-	18,223	-	-	-	-
Firm transportation agreements	19,819	47,701	46,001	37,404	23,087	80,490
Firm processing agreement	9,427	18,718	18,718	10,425	6,381	71,028
Total	**29,246**	**84,642**	**162,479**	**47,829**	**29,468**	**151,518**

Notes:

(1) Based on the existing terms of the Company's Facility, the first possible repayment date may come in 2026. However, it is expected that the Facility will be extended and no repayment will be required in the near term.

Other long-term obligations relate to an incentive received from the British Columbia provincial government that will be applied against certain capital projects that are anticipated to be completed in 2025. Failure to complete these capital projects will result in repayment of the full amount of the other long-term obligations plus interest.

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 the "Risk Factors" section contained in Crew's most recent Annual Information Form filed on SEDAR+ (www.sedarplus.ca).

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

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

b) 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.

c) Commodity Price Volatility

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

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

On the other hand, failure to protect against a decline in commodity prices exposes Crew to reduced liquidity when prices decline. A sustained lower commodity price environment would result in lower realized prices for unprotected volumes and reduce the prices at which Crew would enter into derivative contracts on future volumes. This could make such transactions unattractive, and, as a result, some or all of Crew’s production volumes forecasted for 2024 and beyond may not be protected by derivative arrangements.

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

d) 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.

e) Inflation Risk

Recently, Canada, the United States and other countries have experienced high levels of inflation, supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs and commodity prices, and additional government intervention through stimulus spending and additional regulations. These factors have increased the operating costs of the Company. The Company's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and cash flows.

The cost or availability of oil and gas field equipment may adversely affect the Company's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available at reasonable prices when required. A failure to secure the services and equipment necessary to the Company's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on the Company's financial performance and cash flows.

In addition, many central banks, including the Bank of Canada and U.S. Federal Reserve, have taken steps to raise interest rates in an attempt to combat inflation. The rise in interest rates has impacted the Company's borrowing costs. The increase in borrowing costs may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and cash flows of the Company. Rising interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for oil and natural gas, causing a decrease in commodity prices. A decrease in commodity prices would immediately impact the Company's revenues and cash flows and could also reduce drilling activity on the Company's properties. It is unknown how long inflation will continue to impact the economies of Canada and the United States and how inflation and rising interest rates will impact oil and gas demand and commodity prices.

f) Indigenous Land and Rights Claims

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

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

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

g) Political, Regulatory and Social

The Company's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically, and duration of regulatory reviews could impact the Company's existing operations and planned projects. This includes actions by regulators or other political actors to delay or deny necessary licenses and permits for the Company's activities or restrict the operation of third-party infrastructure that the Company relies on. Additionally, changes in environmental regulations, assessment processes or other laws, and increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact the Company's results.

Other government and political factors that could adversely affect the Company's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect the Company's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources. The success of these initiatives may decrease demand for the Company's products.

A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry including the balance between economic development and environmental policy. The oil and natural gas industry has become an increasingly politically polarizing topic resulting in a rise in civil disobedience surrounding oil and natural gas development, particularly with respect to infrastructure projects. Protests, blockades and demonstrations have the potential to delay and disrupt the Company's activities.

h) Climate Change

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil, NGL and natural gas. The majority of countries across the globe, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. The Company faces both transition risks and physical risks associated with climate change and climate change policy and regulations as a more particularly outlined in its Annual Information Form.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to ESG and climate reporting, in June 2023 the ISSB issued two new international sustainability disclosure standards with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. The Canadian Securities Administrators published for comment Proposed National Instrument 51107 – Disclosure of Climate Related Matters, intended to introduce climate-related disclosure requirements for reporting issuers in Canada. It is expected that the introduction of the new international standards will instruct how new Canadian sustainability disclosure standards are finalized. If the Company is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected.

i) Global Geopolitical Conflicts

On October 7, 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on the Israeli population and industrial centres located along Israel's border with the Gaza Strip and in other areas within the State of Israel. Following the attack, Israel's security cabinet declared war against Hamas and the military campaign against these terrorist organizations has launched a series of responding attacks in Palestine.

The outcome of the conflict has the potential to have wide-ranging consequences on the world economy. Global oil prices have increased since the beginning of the Israel-Palestine war. While neither Israel nor the Gaza Strip are significant oil producers, there is a risk that the conflict could lead to wider regional instability in the Middle East, home to some of the world's biggest oil producers. To date, these events have not impacted the Company's ability to carry on business, and there have been no significant delays or direct security issues affecting the Company's operations, offices or personnel. The long-term impacts of the conflict remain uncertain and the Company continues to monitor the evolving situation.

In February 2022, Russian military forces invaded Ukraine. Ukrainian military personnel and civilians continue to actively resist the invasion. Many countries throughout the world have provided aid to Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in its resistance to the Russian invasion. The NATO has also mobilized forces to NATO member countries that are close to the conflict as deterrence to further Russian aggression in the region. Additionally, certain countries including Canada have imposed strict financial and trade sanctions against Russia. The outcome of the ongoing conflict remains uncertain and may have wide-ranging consequences on the peace and stability of the region and the world economy.

j) Impact of the Global Pandemics

In the event of a global pandemic, countries around the world may close international borders and order the closure of institutions and businesses deemed non-essential. This could result in a significant reduction in economic activity in Canada and internationally along with a drop in demand for oil and natural gas. Any reduction in economic activity in certain countries resulting from outbreaks, government-imposed lockdowns and other restrictions could have a negative effect on demand for oil and natural gas and could aggravate the other risk factors identified herein. 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.

k) Information Technology Systems and Cyber-Security

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

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

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

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

Historical Analysis

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

($ thousands, except per share amounts)	**June 30 2024**	Mar. 31 2024	Dec. 31 2023	Sep. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022	Sep. 30 2022
Total daily production (boe/d)	**29,253**	29,510	30,928	26,834	30,046	32,963	32,893	31,792
Property, plant and equipment expenditures	**15,856**	77,161	53,165	104,045	37,657	22,161	60,639	53,560
Net property dispositions[1]	**-**	-	-	(20)	(996)	-	(7)	(129,780)
Average realized commodity price ($/boe)	**28.48**	31.44	31.68	28.48	24.37	33.94	45.25	45.46
Petroleum and natural gas sales	**75,824**	84,436	90,135	70,317	66,623	100,681	136,948	132,950
Cash provided by operating activities	**50,823**	46,008	58,721	46,056	69,952	66,644	62,570	82,322
Adjusted funds flow	**41,413**	51,197	67,643	45,313	59,035	74,517	74,994	69,417
Per share[2] – basic	**0.26**	0.33	0.44	0.29	0.38	0.48	0.49	0.46
– diluted	**0.26**	0.32	0.42	0.28	0.36	0.46	0.46	0.43
Net income	**13,451**	10,626	39,733	4,878	33,729	41,354	71,383	105,658
Per share – basic	**0.09**	0.07	0.26	0.03	0.22	0.27	0.47	0.69
– diluted	**0.08**	0.07	0.24	0.03	0.21	0.26	0.44	0.65

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

Towards the end of 2020, in conjunction with the post-pandemic recovery of oil and gas prices, Crew developed a strategic two-year development plan to enhance long-term sustainability and create meaningful value. The strategic plan included increased capital expenditures beginning in the fourth quarter of 2020, continuing through 2021 and 2022, in order to increase production, improve net backs and improve the Company's overall sustainability. The successful execution of this plan combined with increased commodity prices significantly increased production, petroleum and natural gas sales, cash provided by operating activities, AFF and net income in 2022 and the first half of 2023. Capital spending in the first half of 2023 was curtailed as a result of poor natural gas pricing and a focus on debt repayment. Reduced capital spending resulted in a drop off in natural gas production and combined with lower commodity prices reduced petroleum and natural gas sales, cash provided by operating activities, AFF and net income.

In the third quarter of 2022, non-core assets at Attachie and Portage in northeast British Columbia were disposed of for cash proceeds of $130.0 million, resulting in a gain on disposition of $84.2 million. In connection with this disposition, the Company redeemed $128.0 million of senior unsecured noted on September 19, 2022. This disposition has strengthened the balance sheet and helped position the Company for long-term sustainability. In the second quarter of 2023, the Company early redeemed and extinguished the remaining $172.0 million of senior unsecured notes.

Significant volatility in commodity prices has impacted cash provided by operating activities, AFF and net income throughout the past eight quarters. The Company has reduced the financial impact of volatile commodity prices by entering into derivative and physical risk management contracts, which can cause significant fluctuations in quarterly income due to unrealized gains and losses recognized on the derivative contracts. During times of reduced AFF due to lower commodity prices, the Company will sustain financial flexibility by reducing capital expenditures.

Changing Regulation

The IASB issued amendments to IAS 1 "Presentation of Financial Statements" regarding classification of liabilities as current or non-current which is effective for annual periods beginning on or after January 1, 2024. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. These amendments to IAS 1 did not have a material impact on the Company's financial statements.

On March 13, 2024, the Canadian Sustainability Standards Board released its proposed Canadian Sustainability Disclosure Standards to set a benchmark for the disclosure of sustainability-related information. These standards were open to public consultation through June 10, 2024 prior to any further developments towards the finalization of the standards. Crew is currently assessing the impact of these proposed standards on the Company's external disclosure requirements.

Application of Critical Accounting Estimates

Crew's material accounting policies are disclosed in note 4 of the Company's audited financial statements for the year ended December 31, 2023. 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, 2024 and ended on June 30, 2024 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. 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 property, plant and equipment 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.

c) EBITDA

EBITDA is calculated as 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, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Adjusted funds flow	**41,413**	51,197	59,035	**92,610**	133,552
Interest expense on debt	**2,673**	2,134	2,003	**4,807**	4,818
EBITDA	**44,086**	53,331	61,038	**97,417**	138,370

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, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Cash provided by operating activities	**50,823**	46,008	69,952	**96,831**	136,596
Change in operating non-cash working capital	**(10,779)**	3,163	(12,154)	**(7,616)**	(7,634)
Accretion of deferred financing costs	**-**	-	(49)	**-**	(199)
Funds from operations	**40,044**	49,171	57,749	**89,215**	128,763
Decommissioning obligations settled excluding government grants	**1,369**	2,026	1,286	**3,395**	4,789
Adjusted funds flow	**41,413**	51,197	59,035	**92,610**	133,552
Less: property, plant and equipment expenditures	**15,856**	77,161	37,657	**93,017**	59,818
Free adjusted funds flow	**25,557**	(25,964)	21,378	**(407)**	73,734

e) Net Operating Costs

Net operating costs equals operating expenses 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 expenses. The calculation of Crew's net operating costs can be seen in the section entitled "Net Operating Costs" of this MD&A.

f) Net Operating Costs per boe

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

g) Net transportation costs

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

h) Net transportation costs per boe

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

i) Operating Netback per boe

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

j) Cash costs per boe

Cash costs per boe is comprised of net operating, transportation, general and administrative and interest expense 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, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Net operating costs	**4.83**	4.31	4.43	**4.57**	4.21
Net transportation costs	**3.69**	3.79	3.43	**3.74**	3.36
General and administrative expenses	**1.15**	1.18	1.09	**1.17**	1.12
Interest expense on debt	**1.00**	0.79	0.73	**0.90**	0.85
Cash costs	**10.68**	10.07	9.68	**10.38**	9.54

k) Interest expense on debt per boe

Interest expense 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 interest expense on debt per boe as an important measure to evaluate its cost of debt financing.

($/boe)	**Three months ended June 30, 2024**	Three months ended March 31, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Interest on bank loan and other	**2,673**	2,134	1,127	**4,807**	1,035
Interest on senior notes	**-**	-	827	**-**	3,584
Accretion of deferred financing costs	**-**	-	49	**-**	199
Interest expense on debt	**2,673**	2,134	2,003	**4,807**	4,818
Production (boe/d)	**29,253**	29,510	30,046	**29,381**	31,496
Interest expense on debt per boe	**1.00**	0.79	0.73	**0.90**	0.85

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 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.

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

Forward Looking Statements

This MD&A contains certain forward looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward looking information and statements pertaining to the following: Crew's 2024 annual budget guidance , underlying assumptions and associated information contained under the heading "Guidance" herein; future plans and operations, including budget estimates, drilling plans and the timing thereof, plans for the completion and tie-in of wells and anticipated on-stream dates, infrastructure plans and construction timelines, including without limitation, the planned electrification of the West Septimus gas plant and construction of the Groundbirch Plant and receipt of all required regulatory approvals and financing; the Company's capital management objectives and planned capital expenditures, timing of capital expenditures and methods of financing capital expenditures and the ability to fund financial liabilities; production estimates, expected commodity mix and prices, future net operating costs, future net transportation costs, expected royalty rates, expected interest rates and other financing charges, debt levels and targeted debt levels, expected funds from operations; the timing of and impact of implementing accounting policies, expectations in regards to the Company's credit facilities, the potential for further asset divestures and the anticipated impact of potential future transactions; and similar statements.

The forward looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information or statements including, without limitation: risks and uncertainties associated with oil and gas exploration, development, exploitation, production, marketing and transportation, changes in commodity prices, inflation, changes in the demand for or supply of Crew's products, public health crises and any related actions taken by governments and businesses, potential regulatory and industry changes stemming from the results of court actions affecting regions in which Crew holds assets, risks and uncertainties related to operations on indigenous lands, suspension of or changes to capital plans and guidance and the associated impact to forecast metrics including production and funds flow, changes to government regulations including royalty rates, taxes and environmental and climate change regulation, market access constraints or transportation interruptions, unanticipated operating results or production declines, changes in development plans, increased debt levels or debt service requirements, inaccurate estimation of Crew's reserve volumes and associated values, limited, unfavourable or a lack of access to capital markets, increased costs, a lack of adequate insurance coverage and certain other risks detailed in Crew's public disclosure documents. Readers should also carefully consider the risks discussed in the section "Risks and Uncertainties" in this MD&A.

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

The internal projections, expectations or beliefs underlying the Company's 2024 capital expenditure plans, budgets and associated guidance and corporate outlook for 2024 and beyond are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Crew's financial outlook and guidance for 2024 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 2024 and beyond based on the underlying assumptions provided herein. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2024 guidance and outlook may not be appropriate for other purposes.

The forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Dated as of August 7, 2024

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited) (thousands)	**June 30, 2024**	December 31, 2023
Assets		
Current Assets:		
Accounts receivable	**$ 26,908**	$ 33,931
Derivative financial instruments (note 4)	**1,591**	12,307
	28,499	46,238
Derivative financial instruments (note 4)	**3,395**	-
Property, plant and equipment (note 5)	**1,680,188**	1,628,632
	$ 1,712,082	$ 1,674,870
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 35,443**	$ 58,804
Derivative financial instruments (note 4)	**2,218**	-
Decommissioning obligations (note 6)	**3,694**	3,307
	41,355	62,111
Other long-term obligations (note 7)	**18,223**	18,223
Bank loan (note 8)	**97,760**	74,259
Lease obligations	**924**	1,257
Decommissioning obligations (note 6)	**39,701**	43,389
Deferred tax liability	**179,507**	169,592
	336,115	306,720
Shareholders' Equity		
Share capital (note 10)	**1,461,822**	1,460,256
Contributed surplus	**98,821**	95,891
Deficit	**(226,031)**	(250,108)
	1,334,612	1,306,039
Commitments (note 13)		
	$ 1,712,082	$ 1,674,870

See accompanying notes to the condensed interim financial statements.

CONDENSED INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited) (thousands, except per share amounts)	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Revenue				
Petroleum and natural gas sales (note 11)	**$ 75,824**	$ 66,623	**$ 160,260**	$ 167,304
Royalties	**(6,086)**	(5,345)	**(13,484)**	(17,610)
Realized gain on derivative financial instruments	**87**	24,241	**1,324**	38,243
Unrealized gain (loss) on derivative financial instruments	**2,145**	(17,961)	**(9,539)**	(9,723)
Processing and transportation revenue (note 11)	**3,154**	2,186	**5,143**	4,342
	75,124	69,744	**143,704**	182,556
Expenses				
Operating	**13,375**	12,712	**25,505**	25,270
Transportation	**12,451**	10,967	**24,077**	22,255
General and administrative	**3,067**	2,988	**6,244**	6,384
Share-based compensation	**1,627**	1,824	**3,808**	4,684
Depletion and depreciation (note 5)	**22,410**	21,847	**44,395**	45,140
	52,930	50,338	**104,029**	103,733
Income from operations	**22,194**	19,406	**39,675**	78,823
Financing (note 12)	**3,068**	3,155	**5,569**	6,439
Gain on divestiture of property, plant and equipment (note 5)	**-**	(276)	**-**	(276)
Other income	**-**	(29,000)	**-**	(29,026)
Income before income taxes	**19,126**	45,527	**34,106**	101,686
Deferred tax expense	**5,675**	11,798	**10,029**	26,603
Net income and comprehensive income	**$ 13,451**	$ 33,729	**$ 24,077**	$ 75,083
Net income per share (note 10)				
Basic	**$ 0.09**	$ 0.22	**$ 0.15**	$ 0.49
Diluted	**$ 0.08**	$ 0.21	**$ 0.15**	$ 0.46

See accompanying notes to the condensed interim financial statements.

CONDENSED INTERIM 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, 2024	156,560	$ 1,460,256	$ 95,891	$ (250,108)	$ 1,306,039
Net income for the period	-	-	-	24,077	24,077
Share-based compensation expensed	-	-	3,808	-	3,808
Share-based compensation capitalized	-	-	3,572	-	3,572
Issued from treasury on vesting of share awards	752	3,684	(3,684)	-	-
Released from trust on vesting of share awards	593	880	(880)	-	-
Purchase of shares held in trust (note 10)	(653)	(2,998)	-	-	(2,998)
Tax deduction on excess value of share awards	-	-	114	-	114
Balance, June 30, 2024	**157,252**	**$ 1,461,822**	**$ 98,821**	**$ (226,031)**	**$ 1,334,612**

(unaudited) (thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2023	154,377	$ 1,467,213	$ 88,730	$ (369,802)	$ 1,186,141
Net income for the period	-	-	-	75,083	75,083
Share-based compensation expensed	-	-	4,684	-	4,684
Share-based compensation capitalized	-	-	4,249	-	4,249
Issued from treasury on vesting of share awards	437	2,179	(2,179)	-	-
Released from trust on vesting of share awards	1,235	971	(971)	-	-
Purchase of shares held in trust (note 10)	(1,858)	(9,000)	-	-	(9,000)
Tax deduction on excess value of share awards	-	-	527	-	527
Balance, June 30, 2023	**154,191**	**$ 1,461,363**	**$ 95,040**	**$ (294,719)**	**$ 1,261,684**

See accompanying notes to the condensed interim financial statements.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(unaudited) (thousands)	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Cash provided by (used in):				
Operating activities:				
Net income	**$ 13,451**	$ 33,729	**$ 24,077**	$ 75,083
Adjustments:				
Unrealized (gain) loss on derivative financial instruments	**(2,145)**	17,961	**9,539**	9,723
Share-based compensation	**1,627**	1,824	**3,808**	4,684
Depletion and depreciation (note 5)	**22,410**	21,847	**44,395**	45,140
Financing expenses (note 12)	**3,068**	3,155	**5,569**	6,439
Interest expense (note 12)	**(2,673)**	(1,954)	**(4,807)**	(4,619)
Gain on divestiture of property, plant and equipment (note 5)	**-**	(276)	**-**	(276)
Non-operating other income	**-**	(29,000)	**-**	(29,000)
Deferred tax expense	**5,675**	11,798	**10,029**	26,603
Decommissioning obligations settled (note 6)	**(1,369)**	(1,286)	**(3,395)**	(4,815)
Change in non-cash working capital	**10,779**	12,154	**7,616**	7,634
	50,823	69,952	**96,831**	136,596
Financing activities:				
(Decrease) increase in bank loan (note 8)	**(7,563)**	28,902	**23,501**	28,902
Redemption of senior notes (note 9)	**-**	(172,310)	**-**	(172,310)
Payments on lease obligations	**(175)**	(176)	**(351)**	(349)
Shares purchased and held in trust (note 10)	**(836)**	(4,497)	**(2,998)**	(9,000)
	(8,574)	(148,081)	**20,152**	(152,757)
Investing activities:				
Property, plant and equipment expenditures (note 5)	**(15,856)**	(37,657)	**(93,017)**	(59,818)
Property dispositions	**-**	996	**-**	996
Increase in other long-term obligations (note 7)	**-**	-	**-**	18,223
Non-operating other income	**-**	29,000	**-**	29,000
Change in non-cash working capital	**(26,393)**	4,314	**(23,966)**	(26,977)
	(42,249)	(3,347)	**(116,983)**	(38,576)
Change in cash and cash equivalents	**-**	(81,476)	**-**	(54,737)
Cash and cash equivalents, beginning of period	**-**	81,476	**-**	54,737
Cash and cash equivalents, end of period	**$ -**	$ -	**$ -**	$ -

See accompanying notes to the condensed interim financial statements.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(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. 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 condensed financial statements (the "financial statements") have been prepared in accordance with IAS 34 – Interim Financial Reporting of the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The financial statements use the accounting policies which the Company applied in its annual financial statements for the year ended December 31, 2023. On January 1, 2024, the Company adopted amendments to IAS 1 "Presentation of Financial Statements" regarding classification of liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. These amendments to IAS 1 did not have a material impact to the Company's financial statements.

The financial statements do not include certain disclosures that are normally required to be included in annual 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.

The financial statements were authorized for issuance by Crew's Board of Directors on August 7, 2024.

3. Estimation uncertainty:

Management makes judgments and assumptions about the future in deriving estimates used in preparation of these financial statements in accordance with IFRS. Sources of estimation uncertainty include estimates used to determine economically recoverable oil, natural gas, and natural gas liquids reserves, the recoverable amount of long-lived assets or cash-generating unit, the fair value of financial derivatives, the provision for decommissioning obligations and the provision for income taxes and the related deferred tax assets and liabilities. Management has, to the extent reasonable, incorporated known facts and circumstances into the estimates made, however, actual results could differ from those estimates and those differences could be material.

A full list of the key sources of estimation uncertainty can be found in note 4 of the annual financial statements for the year ended December 31, 2023.

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, 2024, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas CDN$ – AECO Daily Index:				
2,500 gj/day	July 1, 2024 - September 30, 2024	$2.46/gj	Swap	$ 394
2,500 gj/day	October 1, 2024 - December 31, 2024	$3.30/gj	Swap	279
5,000 gj/day	January 1, 2025 - March 31, 2025	$3.10/gj	Swap	102
2,500 gj/day	January 1, 2025 - December 31, 2025	$3.15/gj	Swap	324
5,000 gj/day	April 1, 2025 - June 30, 2025	$2.70/gj	Swap	97
5,000 gj/day	July 1, 2025 - September 30, 2025	$2.91/gj	Swap	154
5,000 gj/day	October 1, 2025 - December 31, 2025	$3.60/gj	Swap	167
Natural Gas CDN$ – AECO Monthly Index:				
15,000 gj/day	January 1, 2025 - December 31, 2025	$2.78 - $3.28/gj	Collar[(1)]	1,037
Crude Oil – CDN$ WTI:				
500 bbl/day	July 1, 2024 - December 31, 2024	$109.25/bbl	Swap	89
CDN$ Edmonton C5 Blended Index:				
1,750 bbl/day	July 1, 2024 - December 31, 2024	$104.01/bbl	Swap	(94)
500 bbl/day	January 1, 2025 - June 30, 2025	$101.65/bbl	Swap	68
250 bbl/day	January 1, 2025 - December 31, 2025	$100.00/bbl	Swap	151
Total				**$ 2,768**

Note:

(1) The referenced contract is a costless collar whereby the Company receives $2.78/gj when the market price is below $2.78/gj, and receives $3.28/gj when the market price is above $3.28/gj.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable and accrued liabilities, derivative financial instruments, the bank loan and lease obligations. Accounts payable and accrued liabilities consists of invoices payable to trade suppliers for office, field operating activities and property, plant and equipment expenditures. The Company processes invoices within a normal payment period. Accounts payable and accrued liabilities and financial instruments have contractual maturities of less than one year. To meet these obligations, the Company maintains a revolving credit facility, as outlined in (note 8), which is subject to annual renewal by the lenders and has a contractual maturity in 2026, if not extended. The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures. The Company does not pay dividends.

Capital management:

The Company considers its capital structure to include working capital, long-term debt (including the bank loan and other long-term obligations) 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, arrange for additional debt or raise funds through asset sales.

The Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations and settle its financial liabilities. 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, 2024		December 31, 2023
Accounts receivable	**$**	**26,908**	$	33,931
Accounts payable and accrued liabilities		**(35,443)**		(58,804)
Working capital deficiency	**$**	**(8,535)**		(24,873)
Other long-term obligations		**(18,223)**		(18,223)
Bank loan		**(97,760)**		(74,259)
Net debt	**$**	**(124,518)**	$	(117,355)

The Company is not subject to externally imposed capital requirements.

The bank loan (note 8) is subject to a semi-annual review of its Borrowing Base, which is directly impacted by the value of the Company's oil and gas reserves.

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, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Cash provided by operating activities	**$ 50,823**	$ 69,952	**$ 96,831**	$ 136,596
Change in operating non-cash working capital	**(10,779)**	(12,154)	**(7,616)**	(7,634)
Accretion of deferred financing costs (note 12)	**-**	(49)	**-**	(199)
Funds from operations	**$ 40,044**	$ 57,749	**$ 89,215**	$ 128,763
Decommissioning obligations settled excluding grants	**1,369**	1,286	**3,395**	4,789
Adjusted funds flow	**$ 41,413**	$ 59,035	**$ 92,610**	$ 133,552

5. **Property, plant and equipment:**

Cost		Total
Balance, January 1, 2023	$	2,420,732
Additions		217,028
Divestitures		(740)
Change in decommissioning obligations (note 6)		5,558
Capitalized share-based compensation		8,236
Balance, December 31, 2023	$	2,650,814
Additions		93,017
Change in decommissioning obligations (note 6)		(638)
Capitalized share-based compensation		3,572
Balance, June 30, 2024	**$**	**2,746,765**

Accumulated depletion and depreciation		Total
Balance, January 1, 2023	$	933,456
Depletion and depreciation expense		88,726
Balance, December 31, 2023	$	1,022,182
Depletion and depreciation expense		44,395
Balance, June 30, 2024	**$**	**1,066,577**

Net book value		Total
Balance, June 30, 2024	**$**	**1,680,188**
Balance, December 31, 2023	$	1,628,632

The calculation of depletion and depreciation expense for the six months ended June 30, 2024 included estimated future development costs of $2,093.0 million (December 31, 2023 – $2,118.2 million) associated with the development of the Company's proved plus probable reserves and excludes costs incurred since inception on certain capital projects under construction of $22.2 million (December 31, 2023 – $9.5 million), salvage value of $44.0 million (December 31, 2023 – $43.7 million) and undeveloped land of $112.7 million (December 31, 2023 – $112.7 million) related to future development acreage with no associated reserves.

At June 30, 2024, the Company completed an indicators of impairment assessment and concluded that an impairment test was not required.

During the second quarter of 2023, the Company disposed of fee simple surface land with a net book value of $0.7 million for cash proceeds of $1.0 million, resulting in a gain of $0.3 million on closing of the disposition.

6. **Decommissioning obligations:**

		Six months ended June 30, 2024		Year ended December 31, 2023
Decommissioning obligations, beginning of period	**$**	**46,696**	$	47,582
Obligations incurred		**374**		1,184
Obligations settled		**(3,395)**		(7,882)
Change in estimated future cash outflows		**(1,012)**		4,374
Accretion of decommissioning obligations		**732**		1,438
Decommissioning obligations, end of period	**$**	**43,395**	$	46,696
Current decommissioning obligations	**$**	**3,694**	$	3,307
Long-term decommissioning obligations		**39,701**		43,389
Decommissioning obligations, end of period	**$**	**43,395**	$	46,696

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 $43.4 million as at June 30, 2024 (December 31, 2023 – $46.7 million) based on an inflation adjusted undiscounted total future liability of $113.0 million (December 31, 2023 – $108.4 million). These payments are expected to be made over the next 50 years, with the majority of costs to be incurred between 2031 and 2071. The inflation rate applied to the liability is 1.8% (December 31, 2023 – 1.6%). The discount factor, being the risk-free rate related to the liability, is 3.4% (December 31, 2023 – 3.0%). The $1.0 million (December 31, 2023 – $4.4 million) change in estimated future cash outflows is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

7. Other long-term obligations:

Other long-term obligations relate to an incentive received from the British Columbia provincial government that will be applied against certain capital projects, through a reclass to property, plant and equipment, that are expected to be completed by the end of 2025. Failure to complete these capital projects will result in repayment of the full amount of the other long-term obligations plus interest.

8. Bank loan:

As at June 30, 2024, the Company's bank facility consists of a revolving line of credit of $220 million and an operating line of credit of $30 million (collectively, the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by May 15, 2025. 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. As the Borrowing Base of the Facility is based on the Company's reserves and future commodity prices and costs, there can be no assurance that the amount of the available Facility will not be adjusted at the next scheduled Borrowing Base review on or before October 15, 2024. 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, Canadian Overnight Repo Rate Average ("CORRA") and secured overnight financing rate as administered by the Federal Reserve Bank of New York ("SOFR") 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, 2024, the Company's applicable pricing included a 2.00 percent margin on prime lending, a 3.00 percent stamping fee and margin on CORRA and SOFR 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, 2024, the Company had issued letters of credit totaling $10.9 million (December 31, 2023 – $9.4 million).

9. 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 were guaranteed, jointly and severally, on an unsecured basis, by each of the Company's current and future restricted subsidiaries. Interest on the 2024 Notes accrued at the rate of 6.5% per year and was payable semi-annually.

On September 19, 2022, the Company redeemed and extinguished $128 million of principal amount of the 2024 Notes at a redemption price of $1,010.40 per $1,000 of principal amount, plus accrued and unpaid interest. A loss on redemption of $1.9 million consisting of a redemption premium of $1.3 million and unamortized deferred financing costs of $0.6 million were expensed in financing costs as a result of the redemption.

On April 28, 2023, the Company redeemed and extinguished the remaining principal amount of $172 million of 2024 Notes at par, plus accrued and unpaid interest. A loss on redemption of $0.8 million consisting of fees of $0.3 million and unamortized deferred financing costs of $0.5 million were expensed in financing costs as a result of the redemption.

10. Share capital:

At June 30, 2024, 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.

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, 2024, the trustee purchased 653,000 (June 30, 2023 – 1,858,000) common shares for a total cost of $3.0 million (June 30, 2023 – $9.0 million) and as at June 30, 2024, the trustee held 1,567,000 (June 30, 2023 – 2,931,000) common shares in trust.

Upon the vesting and settlement of 549,000 RAs and 445,000 PAs, when accounting for the earned multipliers for PAs, 752,000 common shares of the Company were issued from treasury and 593,000 common shares were released from trust for the six months ended June 30, 2024.

The weighted average fair value of awards granted during the six months ended June 30, 2024 was $4.76 (June 30, 2023 – $4.74) per RA granted and $4.76 (June 30, 2023 – $4.74) per PA granted.

The number of RAs and PAs outstanding are as follows:

	Number of RAs	Number of PAs
Balance, January 1, 2024	2,409	3,595
Granted	1,093	1,668
Vested	(549)	(445)
Balance, June 30, 2024	**2,953**	**4,818**

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, 2024 was 156,804,000 (June 30, 2023 – 154,228,000) and for the six month period ended June 30, 2024, the weighted average number of shares outstanding was 156,667,000 (June 30, 2023 – 154,005,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the three month period ended June 30, 2024, 5,049,000 (June 30, 2023 – 7,548,000) shares were added to the weighted average common shares outstanding to account for the dilution of RAs and PAs and for the six month period ended June 30, 2024, 5,202,000

(June 30, 2023 – 7,502,000) shares were added to the weighted average common shares for dilution. For the three month period ended June 30, 2024, there were 12,000 (June 30, 2023 – nil) 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, 2024, there were 3,564,000 (June 30, 2023 – nil) 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, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Light crude oil	**$ 552**	$ 562	**$ 1,115**	$ 1,103
Natural gas liquids	**6,523**	4,945	**13,172**	13,168
Condensate	**54,043**	29,639	**98,330**	70,098
Natural gas	**14,706**	31,477	**47,643**	82,935
	$ 75,824	$ 66,623	**$ 160,260**	$ 167,304

Processing and transportation revenue:

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

	Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Processing revenue	**$ 520**	$ 610	**$ 1,072**	$ 1,246
Transportation revenue	**2,634**	1,576	**4,071**	3,096
	$ 3,154	$ 2,186	**$ 5,143**	$ 4,342

For the three and six months ended June 30, 2024, the Company recognized transportation revenue of $2.6 million and $4.1 million respectively, with an offsetting amount of transportation expenses on contracted pipeline capacity novated to third parties.

12. Financing:

	Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Interest expense	**$ 2,673**	$ 1,954	**$ 4,807**	$ 4,619
Interest on lease obligations	**14**	21	**30**	44
Accretion of deferred financing costs	**-**	49	**-**	199
Accretion of decommissioning obligations	**381**	318	**732**	764
Loss on redemption of 2024 Notes	**-**	813	**-**	813
	$ 3,068	$ 3,155	**$ 5,569**	$ 6,439

13. Commitments:

	2024	2025	2026	2027	2028	Thereafter
Firm transportation agreements	$ 19,819	$ 47,701	$ 46,001	$ 37,404	$ 23,087	$ 80,490
Firm processing agreements	9,427	18,718	18,718	10,425	6,381	71,028
Total	**$ 29,246**	**$ 66,419**	**$ 64,719**	**$ 47,829**	**$ 29,468**	**$151,518**

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

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

DIRECTORS & OFFICERS

OFFICERS

Dale O. Shwed
President and Chief Executive Officer

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

James Taylor
Executive Vice President and Chief Operating Officer

Jamie L. Bowman
Senior Vice President, Marketing & Originations

Kurtis Fischer
Vice President, Planning & Development

Paul Dever
Vice President, Government & Stakeholder Relations

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

Mark Miller
Vice President, Land & Negotiations

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

BOARD OF DIRECTORS

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Chairman, Independent Director

Karen Nielsen, ICD.D
Independent Director

Ryan Shay, CPA, CA
Independent Director

Gail Hannon
Independent Director

John Hooks
Independent Director

Brad Virbitsky
Independent Director

Dale O. Shwed
President, Crew Energy Inc.

CORPORATE SECRETARY

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

ABBREVIATIONS

bbl barrels
bbl/d barrels per day
bcf billion cubic feet
boe barrels of oil equivalent (6 mcf: 1 bbl)
bopd barrels of oil per day
mboe thousand barrels of oil equivalent (6 mcf: 1 bbl)
mmboe million barrels of oil equivalent (6 mcf: 1 bbl)
mcf thousand cubic feet
mcf/d thousand cubic feet per day
mmcf million cubic feet
mmcf/d million cubic feet per day
ngl natural gas liquids