crew energy inc.

2023 ANNUAL REPORT

A PERFECT FIT FOR THE FUTURE OF CANADIAN ENERGY

MARCH 7, 2024

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 formation resource. Crew's liquids-rich natural gas areas of Septimus and West Septimus ("Greater Septimus") are complemented by the 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 Crew’s fundamental business tenets. Crew’s common shares are listed for trading on the Toronto Stock Exchange (“TSX”) under the symbol “CR”.

CORPORATE INFORMATION

AUDITORS
KPMG LLP

LEGAL COUNSEL
Burnet, Duckworth & Palmer LLP

RESERVE ENGINEERS
Sproule Associates Ltd.

TRANSFER AGENT
Odyssey Trust Company

BANKERS
Toronto-Dominion Bank
Alberta Treasury Branches
National Bank of Canada
Canadian Western Bank
Business Development Bank of Canada

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CREW ENERGY INC. 2023 ANNUAL 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 twelve-month periods ended December 31, 2023.

HIGHLIGHTS

- **30,178 boe per day**[1] (181 mmcfe per day) average production in 2023, while Q4/23 production averaged 30,928 boe per day[1] (186 mmcfe per day) and was 15% higher than the preceding quarter. Crew’s Q4/23 volumes by product averaged:
    - **6,268 bbls per day** of light crude oil and condensate, a **55% increase** over 4,039 bbls per day in Q4/22
    - **133,270 mcf per day** of natural gas
    - **2,448 bbls per day of** natural gas liquids[5,6] (“NGLs”)
- **21% reduction in net debt**[2] to $117.4 million at year-end 2023 compared to year-end 2022, with an expanded credit facility totaling $250 million and a net debt[2] to trailing last twelve-month (“LTM”) EBITDA[3] ratio of 0.5 times at year-end 2023.
    - In April 2023, Crew completed an early redemption of the $172 million principal amount of our previously outstanding senior unsecured notes, representing the full remaining balance, positioning the Company with an improved balance sheet.
- **$246.5 million of AFF**[2] ($1.52 per fully diluted share[3]) generated in 2023, supported by an operating netback[4] of $24.24 per boe. In Q4/23, AFF[2] totaled $67.6 million ($0.42 per fully diluted share).
- **$29.5 million of Free AFF**[4] generated in 2023, further enhancing Crew’s long-term sustainability.
- **$119.7 million of net income** ($0.74 per fully diluted share) in 2023, including $39.7 million ($0.24 per fully diluted share) in Q4/23, was enhanced by Crew’s low cost structure and risk management program.
- **Low cash costs per boe**[4] averaged $9.46 in 2023, compared to $9.53 in 2022, while cash costs per boe[4] in Q4/23 averaged $8.76 and were comparable to $8.67 in Q4/22.
- **$216.0 million of net capital expenditures**[4] supported a safe and successful exploration and development program, drilling 22 (22.0 net) wells and completing 12 (12.0 net) wells along with completing condensate stabilization and waste heat recovery infrastructure projects.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Dec. 31, 2023**	Three months ended Dec. 31, 2022	**Year ended Dec. 31, 2023**	Year ended Dec. 31, 2022
Petroleum and natural gas sales	**90,135**	136,948	**327,756**	598,569
Cash provided by operating activities	**58,721**	62,570	**241,373**	317,337
Adjusted funds flow[2]	**67,643**	74,994	**246,508**	337,345
Per share[3] – basic	**0.44**	0.49	**1.60**	2.21
– diluted	**0.42**	0.46	**1.52**	2.08
Net income	**39,733**	71,383	**119,694**	264,359
Per share – basic	**0.26**	0.47	**0.78**	1.73
– diluted	**0.24**	0.44	**0.74**	1.63
Property, plant and equipment expenditures	**53,165**	60,639	**217,028**	176,621
Net property dispositions[4]	**-**	(7)	**(1,016)**	(129,787)
Net capital expenditures[4]	**53,165**	60,632	**216,012**	46,834

Capital Structure ($ thousands)	**As at Dec. 31, 2023**	As at Dec. 31, 2022
Working capital (deficiency) surplus[2]	**(24,873)**	21,844
Other long-term obligations	**(18,223)**	-
Bank loan	**(74,259)**	-
Senior unsecured notes	**-**	(171,298)
Net debt[2]	**(117,355)**	(149,454)
Common shares outstanding (thousands)	**156,560**	154,377

OPERATIONAL	**Three months ended Dec. 31, 2023**	Three months ended Dec. 31, 2022	**Year ended Dec. 31, 2023**	Year ended Dec. 31, 2022
Daily production				
Light crude oil (bbl/d)	**81**	84	**78**	98
Condensate (bbl/d)	**6,187**	3,955	**4,548**	4,546
Natural gas liquids ("ngl")[5,6] (bbl/d)	**2,448**	2,565	**2,296**	2,804
Conventional natural gas (mcf/d)	**133,270**	157,732	**139,535**	154,971
Total (boe/d @ 6:1)	**30,928**	32,893	**30,178**	33,277
Average realized[3]				
Light crude oil price ($/bbl)	**88.90**	100.10	**88.09**	111.56
Condensate price ($/bbl)	**92.95**	105.30	**94.12**	115.43
Natural gas liquids price ($/bbl)	**27.30**	37.42	**28.98**	44.42
Natural gas price ($/mcf)	**2.48**	6.14	**2.84**	6.32
Commodity price ($/boe)	**31.68**	45.25	**29.76**	49.28

	Three months ended Dec. 31, 2023	Three months ended Dec. 31, 2022	**Year ended Dec. 31, 2023**	Year ended Dec. 31, 2022
Netback ($/boe)				
Petroleum and natural gas sales	**31.68**	45.25	**29.76**	49.28
Royalties	**(2.27)**	(6.09)	**(2.74)**	(4.90)
Realized gain (loss) on derivative financial instruments	**3.13**	(5.72)	**4.84**	(7.07)
Net operating costs[4]	**(3.55)**	(3.47)	**(4.17)**	(3.65)
Net transportation costs[4]	**(3.39)**	(3.05)	**(3.45)**	(3.23)
Operating netback[4]	**25.60**	26.92	**24.24**	30.43
General and administrative ("G&A")	**(1.15)**	(1.17)	**(1.13)**	(0.98)
Interest expense on debt[4]	**(0.67)**	(0.98)	**(0.71)**	(1.67)
Adjusted funds flow[2]	**23.78**	24.77	**22.40**	27.78

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

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

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

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

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

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

BALANCING FINANCIAL STRENGTH WITH LONG-TERM GROWTH

Crew intends to maintain our track record of successfully managing through periods of commodity weakness with a strong financial position through prudent capital allocation and a focus on long-term value creation. This includes strategically directing development investment in a manner that maintains flexibility, prioritizes higher value products and positions the Company for future success through expansion of infrastructure while reducing costs and significantly reducing emissions. This strategy was successfully demonstrated in 2023 when Crew materially increased our condensate production to offset the impact of a weaker natural gas market while reducing net debt. Continuing this strategy of balancing capital discipline with growth, the Company remains committed to our longer-range plans, supported by strategic infrastructure investments that include the expansion of our gas processing capabilities while reducing operating costs and maintaining a strong balance sheet.

In addition to having flexibility in the selection of commodity type and geologic zone to optimize value creation, the Company also has a strategic advantage geographically. Crew's sizeable and contiguous land base is proximal to the Coastal Gas Link Pipeline, accesses multiple Canadian and US sales hubs, and stands to benefit from the potential for coastal liquids egress via the CN Rail line. Additionally, with the country's first liquified natural gas ("LNG") export terminal anticipated to start-up in 2025, we are positioned to capitalize on what is anticipated to be an improved natural gas supply and demand landscape to further solidify our strategic advantage.

Crew takes pride in initiatives that can both reduce our environmental footprint while also maximizing economic benefit, including our recently announced electrification projects and use of spoolable pipelines. The electrification of the West Septimus gas plant is expected to reduce emissions from the facility by approximately 82% and operating costs by over 10%. Crew gratefully acknowledges assistance from the Province of British Columbia's CleanBC Industry Fund for their part in supporting this project.

OPERATIONS UPDATE

NE BC Montney (Greater Septimus)

- Crew drilled seven (7.0 net) Montney wells during Q4/23.
- Over the first 60 days on production ("IP60"), four (4.0 net) ultra-condensate rich ("UCR") natural gas wells which were completed on the 1-24 pad in Q4/23 have produced average raw wellhead rates of 2,973 mcf per day of natural gas and 874 bbls per day of condensate. Crew achieved our target by averaging over 7,000 bbls per day of condensate and light crude oil production in November 2023 and averaged 6,268 bbls per day in Q4/23.
- During Q1/24, Crew plans to complete five (5.0 net) Montney UCR wells, equip and tie-in 11 (11.0 net) Montney UCR wells and drill six (6.0 net) Montney wells.

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 over 4 bcf of natural gas over the first 720 days, exceeding Sproule's year-end 2023 proved plus probable ("2P") undeveloped Groundbirch type curve (the "Sproule 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 continued to exceed the Sproule Type Curve when normalized to 3,000 meters, with estimated average raw gas Expected Ultimate Recovery (EUR) of 12 BCF per well[7].

Other NE BC Montney

- The Company has six (6.0 net) drilled Extended Reach Horizontal wells on the 15-28 pad at Tower, targeting light crude oil and featuring lateral lengths of over 4,000 meters. Of these wells, four (4.0 net) Upper Montney "B' wells and two (2.0 net) Upper Montney "C" wells are planned for completion in Q3/24.

RISK MANAGEMENT PROFILE

To secure a base level of AFF[2] to fund planned capital projects, Crew continues to utilize hedging to limit exposure to fluctuations in commodity prices and foreign exchange rates, while allowing for participation in spot commodity prices.

As of March 7, our 2024 and 2025 hedging profile includes:

2024

- 2,500 GJ per day of natural gas at C$2.76 per GJ or C$3.37 per mcf using Crew's heat factor;
- 2,000 bbls per day of condensate at an average price of C$104.04 per bbl for 1st half 2024;
- 1,750 bbls per day of condensate at an average price of C$104.01 per bbl for 2nd half 2024;
- 1,000 bbls per day of WTI at C$106.09 per bbl for Q1 2024;
- 500 bbls per day of WTI at C$112.00 per bbl for Q2 2024; and
- 250 bbls per day of WTI at C$110.50 per bbl for 2nd half 2024.

2025

- 10,000 GJ per day of AECO natural gas utilizing a costless collar at $2.75 by $3.25 per GJ.

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

SUSTAINABILITY AND ESG INITIATIVES

Crew's environment, social and governance ("ESG") program remained a key focus in 2023, as we continued to invest in innovations designed to complement our operational and financial growth. We are proud to share highlights from Crew's ESG performance in 2023:

- Realized over 1.568-million-person hours of work without a single recordable injury to the end of 2023, marking a new corporate record. We are extremely proud of our Crew team for demonstrating this unprecedented level of dedication to the safety and protection of our team.
- Crew continued to strive for top-tier emissions intensity through the successful implementation of waste heat recovery at our Septimus gas plant, and the use of spoolable produced water transfer, with over 217,000 m^3 transferred during 2023, removing over 173,000 kilometers of truck traffic and preventing approximately 531 tonnes of CO_2e emissions.
- Directed a total of $7.9 million to abandonment and reclamation activities in 2023, reducing Crew's idle well count by 16%.
- Invested 188 volunteer hours in 2023 as part of our "Crew Cares" initiative and made financial contributions into community support initiatives and not-for-profit organizations, largely geared towards fostering the health, well-being and resilience of our local communities and their economies.
- Published our second digital ESG report in September 2023, which outlined our achievements and progress in achieving targets and commitments, along with issuing a standalone report on the Task Force on Climate-Related Financial Disclosure (TCFD) and completing re-verification under the Equitable Origin EO100 standard for responsible energy development.

OUTLOOK

- **Full Year 2024 Guidance Reaffirmed** – The Company's currently planned 2024 capital program, as previously outlined in our February 8, 2024 press release, is designed to:
  - ✓ Allocate $165 to $185 million of net capital expenditures[4], including:
    - $105 to $115 million to drilling 6.0 net wells and completing 11.0 net wells, with 10.0 net wells remaining drilled and uncompleted at year-end 2024.
    - $60 to $70 million to infrastructure spending, including:
      - $50 to $55 million to electrification at West Septimus.
      - $10 to $15 million to front-end engineering and design ("FEED") and site preparation at the future Groundbirch plant.
  - ✓ Maintain forecasted average 2024 production of 29,000 to 31,000 boe per day[1].
    - Increase condensate production by 15%.
    - Reduce natural gas production by 5%.
  - ✓ Maintain a strong financial position.
    - Net Debt to LTM EBITDA[3] forecast at <1.0x.
  - ✓ Electrify the West Septimus Plant.
    - Increase capacity by 20 mmcf per day to total 140 mmcf per day in 2025.
    - Reduce operating costs by more than 10%.
    - Reduce CO_2 emissions by approximately 82%, 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.

	2024 Guidance and Assumptions[8]
Net capital expenditures[4] ($Millions)	**165–185**
Annual average production[1] (boe/d)	**29,000–31,000**
Natural gas weighting	**73-75%**
Royalties	**8–10%**
Net operating costs[4] ($ 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%**

** No change to guidance previously released on February 8, 2024*

- **Active Q1 Capital Program** – Our previously announced Q1/24 net capital expenditure[4] forecast remains unchanged and is designed to:
  - ✓ Allocate $75 to $85 million of net capital expenditures[4].
  - ✓ Drill six (6.0 net) wells, complete five (5.0 net) wells and equip and tie-in 11 (11.0 net) Montney wells in Q1/24.
  - ✓ Result in forecast average Q1/24 production of 29,000 to 31,000 boe per day[1], which includes the impact of an anticipated 2,100 boe per day of production that is currently shut-in for offsetting completion and construction operations.

Our long-range strategic plan is designed to generate optimal value from our expansive Montney land base, which is advantageously positioned to capitalize on the anticipated improvement in the natural gas supply and demand landscape following the commissioning of LNG Canada in 2025. With its strategic location, target zones optionality, commodity diversity, multiple egress options and most importantly, large inventory of over 2,500 drilling locations, our land base serves as a cornerstone for Crew's long-term success.

We remain committed to the pursuit of operational excellence and financial resilience to deliver long-term shareholder value while upholding our commitment to safety and environmental responsibility. Thank you to all stakeholders for their ongoing support of Crew while we continue to unlock value from our robust inventory of Montney well locations.

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 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 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

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

commodity 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 number of estimated potential identified drilling locations outlined in this report; the potential of our Groundbirch area to be a core area of future development and the anticipated commerciality of up to four potential prospective zones to be drilled; the successful implementation of our ESG initiatives, and significant emissions intensity improvements going forward; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability and the expected positive attributes discussed herein attributable to our 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 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 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 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.

Drilling Locations

This report discloses internally identified "potential drilling locations" which are comprised of: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Company's independent reserve evaluator's report effective December 31, 2023 (the "Sproule Report") and account for drilling inventory that have associated proved and/or probable reserves assigned by Sproule. Unbooked locations are internally identified potential drilling opportunities based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have reserves or resources attributed to them and are not estimates of drilling locations which have been evaluated by a qualified reserves evaluator performed in accordance with the COGE Handbook. There is no certainty that the Company will drill any of these potential drilling opportunities and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

The following table provides a detailed breakdown of the identified gross potential drilling locations presented herein:

	Total Drilling Locations	Proved Locations	Probable Locations	Unbooked Locations
Montney Total Drilling Locations	**2,537**	**132**	**106**	**2,299**
Groundbirch Locations	1,717	37	66	1,614
West Septimus Locations	483	59	28	396
Septimus Locations	191	36	9	146
Tower Locations	146	-	3	143

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 ("AFF")

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

b) Net Debt and Working Capital Surplus (Deficiency)

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

Non-IFRS Financial Measures and Ratios

a) Net Property Acquisitions (Dispositions)

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

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Property acquisitions	**-**	-	-	**-**	-
Property dispositions	**-**	(20)	(7)	**(1,016)**	(129,990)
Transaction costs on property dispositions	**-**	-	-	**-**	203
Net property dispositions	**-**	(20)	(7)	**(1,016)**	(129,787)

b) Net Capital Expenditures

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

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Total property, plant and equipment expenditures	**53,165**	104,045	60,639	**217,028**	176,621
Net property dispositions	**-**	(20)	(7)	**(1,016)**	(129,787)
Net capital expenditures	**53,165**	104,025	60,632	**216,012**	46,834

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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Adjusted funds flow	**67,643**	45,313	74,994	**246,508**	337,345
Financing expenses on debt	**1,915**	1,120	2,971	**7,853**	20,270
EBITDA	**69,558**	46,433	77,965	**254,361**	357,615

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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Cash provided by operating activities	**58,721**	46,056	62,570	**241,373**	317,337
Change in operating non-cash working capital	**6,350**	(1,238)	7,565	**(2,522)**	8,331
Accretion of deferred financing costs	**-**	-	(149)	**(199)**	(854)
Transaction costs on property dispositions	**-**	-	-	**-**	203
Funds from operations	**65,071**	44,818	69,986	**238,652**	325,017
Decommissioning obligations settled excluding government grants	**2,572**	495	5,008	**7,856**	12,328
Adjusted funds flow	**67,643**	45,313	74,994	**246,508**	337,345
Less: property, plant and equipment expenditures	**53,165**	104,045	60,639	**217,028**	176,621
Free adjusted funds flow	**14,478**	(58,732)	14,355	**29,480**	160,724

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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Operating costs	**10,722**	12,372	11,115	**48,364**	47,759
Processing revenue	**(622)**	(557)	(616)	**(2,425)**	(3,441)
Net operating costs	**10,100**	11,815	10,499	**45,939**	44,318
Per boe	**3.55**	4.79	3.47	**4.17**	3.65

f) Net Operating Costs per boe

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

g) Net Transportation Costs

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

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Transportation costs	**11,842**	11,053	10,701	**45,150**	45,120
Transportation revenue	**(2,185)**	(1,827)	(1,485)	**(7,108)**	(5,892)
Net transportation costs	**9,657**	9,226	9,216	**38,042**	39,228
Per boe	**3.39**	3.74	3.05	**3.45**	3.23

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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Net operating costs	**3.55**	4.79	3.47	**4.17**	3.65
Net transportation costs	**3.39**	3.74	3.05	**3.45**	3.23
General and administrative expenses	**1.15**	1.14	1.17	**1.13**	0.98
Interest expense on debt	**0.67**	0.45	0.98	**0.71**	1.67
Cash costs	**8.76**	10.12	8.67	**9.46**	9.53

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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Interest on bank loan and other	**1,915**	1,120	4	**4,070**	2,321
Interest on senior notes	**-**	-	2,818	**3,584**	17,095
Accretion of deferred financing charges	**-**	-	149	**199**	854
Financing expenses on debt	**1,915**	1,120	2,971	**7,853**	20,270
Production (boe/d)	**30,928**	26,834	32,893	**30,178**	33,277
Interest expense on debt per boe	**0.67**	0.45	0.98	**0.71**	1.67

Supplementary Financial Measures

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

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

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

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

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

"Average realized 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)**
Q1 2024 Average	0%	16%	8%	76%	29,000–31,000
2024 Annual Average	3%	15%	8%	74%	29,000–31,000

Notes:

1) Excludes condensate volumes which have been reported separately.

YEAR END 2023

Management's Discussion and Analysis

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Financial Statements

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

Crew Energy Inc. ("Crew" or the "Company") is a Canadian liquids-rich natural gas producer committed to pursuing sustainable per share growth through 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 formation resource. Crew's liquids-rich natural gas areas of Septimus and West Septimus ("Greater Septimus") are complemented by the 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 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 audited financial statements of the Company for the years ended December 31, 2023 and 2022. The financial statements have been prepared in accordance with IFRS Accounting Standards. All figures provided herein and in the December 31, 2023 and 2022 audited financial statements are reported in Canadian dollars ("CDN"). The Company uses certain non-IFRS financial measures and ratios, as well as capital management and supplementary measures in this MD&A. For a discussion of these measures and ratios, including the method of calculation, please refer to the section titled "Non-IFRS and Other Financial Measures" contained within this MD&A. This MD&A is dated March 7, 2024.

FINANCIAL HIGHLIGHTS

Financial ($ thousands, except per share amounts)	**Three months ended December 31, 2023**	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Petroleum and natural gas sales	**90,135**	136,948	**327,756**	598,569
Cash provided by operating activities	**58,721**	62,570	**241,373**	317,337
Adjusted funds flow	**67,643**	74,994	**246,508**	337,345
Per share[1] -basic	**0.44**	0.49	**1.60**	2.21
-diluted	**0.42**	0.46	**1.52**	2.08
Net income	**39,733**	71,383	**119,694**	264,359
Per share -basic	**0.26**	0.47	**0.78**	1.73
-diluted	**0.24**	0.44	**0.74**	1.63
Property, plant and equipment expenditures	**53,165**	60,639	**217,028**	176,621
Net property dispositions[2]	**-**	(7)	**(1,016)**	(129,787)
Net capital expenditures[2]	**53,165**	60,632	**216,012**	46,834

Capital structure ($ thousands)	**As at December 31, 2023**	As at December 31, 2022
Working capital (deficiency) surplus	**(24,873)**	21,844
Other long-term obligations	**(18,223)**	-
Bank loan	**(74,259)**	-
Senior unsecured notes	**-**	(171,298)
Net debt	**(117,355)**	(149,454)
Common shares outstanding (thousands)	**156,560**	154,377

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.

OPERATING HIGHLIGHTS

Operations	**Three months ended December 31, 2023**	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Daily production[1]				
Light crude oil (bbl/d)	**81**	84	**78**	98
Condensate (bbl/d)	**6,187**	3,955	**4,548**	4,546
Natural gas liquids (bbl/d)	**2,448**	2,565	**2,296**	2,804
Natural gas (mcf/d)	**133,270**	157,732	**139,535**	154,971
Oil equivalent (boe/d @ 6:1)	**30,928**	32,893	**30,178**	33,277
Average realized[2]				
Light crude oil price ($/bbl)	**88.90**	100.10	**88.09**	111.56
Condensate price ($/bbl)	**92.95**	105.30	**94.12**	115.43
Natural gas liquids price ($/bbl)	**27.30**	37.42	**28.98**	44.42
Natural gas price ($/mcf)	**2.48**	6.14	**2.84**	6.32
Commodity price ($/boe)	**31.68**	45.25	**29.76**	49.28
Netback ($/boe)				
Operating netback[3]	**25.60**	26.92	**24.24**	30.43
General and administrative	**(1.15)**	(1.17)	**(1.13)**	(0.98)
Interest expense on debt[3]	**(0.67)**	(0.98)	**(0.71)**	(1.67)
Adjusted funds flow per boe[2]	**23.78**	24.77	**22.40**	27.78
Drilling activity				
Gross wells	**7**	7	**22**	17
Working interest wells	**7.0**	7.0	**22.0**	17.0
Completion activity				
Gross wells	**6**	5	**12**	16
Working interest wells	**6.0**	5.0	**12.0**	16.0

Notes:
(1) Throughout this MD&A, light crude oil refers to light and medium crude oil product type as defined by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. Throughout this MD&A, references to other natural gas liquids or ngls comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately. Throughout this MD&A, references to natural gas comprise all conventional natural gas as defined by NI 51-101.
(2) Supplementary measure. See "Non-IFRS and Other Financial Measures" contained within this MD&A.
(3) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by 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.

RESULTS OF OPERATIONS

Annual Overview

Crew continued to deliver strong operational and financial results in 2023 despite a challenging commodity price environment that saw both natural gas and crude oil prices decline globally. With significantly weaker natural gas prices, the company pivoted to a conservative capital program that focused on balance sheet strength combined with drilling and completing its more profitable liquids rich locations. While this program resulted in a lower production profile, it generated higher adjusted funds flow ("AFF") and superior project returns.

Crew also initiated a plan to significantly increase the Company's size and scale through development of a new processing facility and accelerated development of our vast resource at Groundbirch. During the year, the Company received a permit from the B.C. Energy Regulator ("BCER") approving the construction of the planned 180 mmcf per day plant at Groundbirch ("Groundbirch Plant") as well as 60 well authorization permits, bringing our total to 85 well authorizations in the Groundbirch area. The Groundbirch Plant supports our longer-term development and expanded scale, and with permitting now in place, this longer-range strategic plan can commence with the planned electrification of West Septimus in 2025, which represents the first step to full Groundbirch development.

The Company's 2023 production averaged 30,178 boe per day, a 9% decrease over 2022, impacted by weak commodity pricing and planned pipeline and plant maintenance throughout the summer. The Company invested $217.0 million in its exploration and development program, drilling 22 (22.0 net) wells and completing 12 (12.0 net) wells along with infrastructure projects including the addition of new condensate stabilization and waste heat recovery at the Septimus gas plant and initial spending on the West Septimus electrification project.

Commodity prices weakened throughout 2023 highlighted by the daily AECO 5A natural gas price decreasing by 50% over the prior year, and a 14% decrease in the West Texas Intermediate ("WTI") benchmark price. Natural gas markets were impacted in 2023, by very mild weather throughout the year impacting heating and cooling demand as European and North American natural gas inventories continued to build, coupled with higher North American production rates, lower U.S. liquified natural gas ("LNG") exports and sluggish global industrial demand. Global crude oil prices were also plagued by oversupply concerns, despite efforts from OPEC+ oil producing nations and their allies to stabilize markets with production cuts. This was coupled with the central banks' inflation fighting policies that continue to impact the crude oil markets with fears that higher interest rates will lead to a global economic recession that will suppress future crude oil demand. General geopolitical tensions, including impacts from the invasion of Ukraine by Russia and the tensions from the conflict in the Middle East, have served to partially counterbalance the price impacts caused by the global economic concerns.

Despite softer commodity prices, Crew generated AFF of $246.5 million, inclusive of $29.5 million of Free AFF(1) and after-tax net income of $119.7 million. AFF in 2023 was enhanced by a successful commodity hedging program that realized a $53.3 million gain, helping to partially offset weaker commodity revenue. The Company also sustained its strong operational performance, reducing cash costs per boe(1), represented by net operating, net transportation, general and administration and interest costs, to $9.46 per boe, despite the 9% decline in production.

Crew's 2023 focus on strengthening our balance sheet resulted in a 21% year over year reduction in the Company's total net debt to $117.4 million at year end. In April, the Company successfully redeemed the remaining $172.0 million of outstanding senior unsecured notes with cash on hand and a small drawing on the bank facility. The Company also extended its bank facility during the year and increased our liquidity by increasing the facility by $50.0 million to $250.0 million by year-end.

Fourth Quarter Overview

In the fourth quarter of 2023, production averaged 30,928 boe per day, a 15% increase over the previous quarter and in-line with the Company's guidance of 30,000 to 32,000 boe per day. The company benefited from new production from six new wells at the new 1-24 ultra-condensate rich ("UCR") pad at Septimus. Property, plant and equipment expenditures totaled $53.2 million, which included the drilling of seven (7.0 net) wells on the nine-well 7-18 UCR pad and the completion of six wells on the 1-24 pad. Engineering work and procurement of long lead items on the West Septimus gas plant electrification continued in the quarter.

Natural gas prices continued to remain depressed in the quarter, declining amid another mild start to winter in North America and Europe, stubbornly strong production levels and high storage levels. Crew's natural gas price declined 8% over the prior quarter, directionally consistent with its primary natural gas benchmark, AECO 5A, which averaged 12% lower in the fourth quarter as compared to the prior quarter. Crude oil, condensate and other natural gas liquid ('ngl') prices remained range bound through the quarter with average prices for most the Company's benchmarks only declining slightly as compared to the prior quarter. Prices for these products continue to be negatively impacted by concerns over lower global demand due to an uncertain economic outlook, while at the same time being positively impacted by the potential for supply disruptions resulting from the conflicts in the Ukraine and the Middle East, and the supply management efforts of OPEC+ producers. Despite lower market prices for liquids, the Company's combined liquids pricing, including crude oil, condensate, and ngl, increased by 3% and Crew's fourth quarter average realized commodity price of $31.68 per boe increased 11% over the third quarter, as revenue benefitted from a 65% increase in higher valued condensate production in the quarter as compared to the third quarter.

AFF for the fourth quarter totaled $67.6 million, representing a 49% increase over the third quarter of 2023, a result of a higher operating netbacks per boe(1) that was enhanced by higher petroleum and natural gas sales due to increased condensate production and lower overall net operating costs.

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.

Production

	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Crude oil (bbl/d)	**81**	85	84	**78**	98
Condensate (bbl/d)	**6,187**	3,754	3,955	**4,548**	4,546
Ngl (bbl/d)	**2,448**	2,040	2,565	**2,296**	2,804
Natural gas (mcf/d)	**133,270**	125,729	157,732	**139,535**	154,971
Total (boe/d)	**30,928**	26,834	32,893	**30,178**	33,277

Fourth quarter 2023 compared to third quarter 2023:

Production during the fourth quarter of 2023 increased 15% over the third quarter of 2023, as a result of a full quarter of production from the addition of new liquids-rich natural gas wells brought on production during the third and fourth quarter of 2023 at Septimus. In addition, there were lower levels of shut-in production during the fourth quarter as compared to the third quarter, mainly due to the previous quarter's planned third-party gas plant maintenance shutdown and the shutdown of the Septimus gas plant for the installation of condensate stabilization and waste heat recovery.

Fourth quarter 2023 compared to fourth quarter 2022:

Production during the fourth quarter of 2023 decreased 6% over the same period in 2022, as a result of production declines on Greater Septimus and Groundbirch area wells brought on production in 2022, offset by the successful execution of drilling and completion of 17 wells in the Greater Septimus area adding new natural gas, condensate and ngl production over the past twelve months.

Year ended 2023 compared to year ended 2022:

Production in 2023 decreased 9% as compared to the same period in 2022 due to the aforementioned production declines rates on newer Greater Septimus area wells, offset by the addition of new liquids rich natural gas wells in the Greater Septimus area.

Petroleum and Natural Gas Sales

	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Petroleum and natural gas sales ($ thousands)					
Light crude oil	**664**	735	778	**2,502**	3,986
Condensate	**52,904**	33,243	38,311	**156,245**	191,523
Natural gas liquids	**6,148**	4,965	8,832	**24,281**	45,464
Natural gas	**30,419**	31,374	89,027	**144,728**	357,596
Total	**90,135**	70,317	136,948	**327,756**	598,569
Average realized					
Light crude oil price ($/bbl)	**88.90**	94.38	100.10	**88.09**	111.56
Condensate price ($/bbl)	**92.95**	96.25	105.30	**94.12**	115.43
Natural gas liquids price ($/bbl)	**27.30**	26.46	37.42	**28.98**	44.42
Natural gas price ($/mcf)	**2.48**	2.71	6.14	**2.84**	6.32
Commodity price ($/boe)	**31.68**	28.48	45.25	**29.76**	49.28
Benchmark pricing					
Light crude oil – WTI (Cdn $/bbl)	**106.74**	110.38	112.22	**104.78**	122.38
Condensate – Condensate @ Edmonton (Cdn $/bbl)	**103.92**	104.66	113.17	**103.42**	121.76
Natural Gas:					
AECO 5A daily index (Cdn $/mcf)	**2.30**	2.60	5.11	**2.64**	5.31
AECO 7A monthly index (Cdn $/mcf)	**2.66**	2.39	5.58	**2.93**	5.56
Alliance 5A (Cdn $/mcf)	**2.43**	2.42	4.94	**2.44**	5.54
Chicago City-Gate at NIT (Cdn $/mcf)	**1.86**	1.85	6.05	**1.86**	6.69
Chicago Interstates at ATP (Cdn $/mcf)	**2.34**	2.33	6.45	**2.36**	7.14
Dawn at NIT (Cdn $/mcf)	**2.08**	2.02	5.98	**2.12**	6.83
Henry hub Close (Cdn $/mcf)	**3.92**	3.42	8.50	**3.69**	8.67
Station 2 (Cdn $/mcf)	**2.05**	2.19	3.23	**2.26**	4.46
Natural gas sales portfolio					
AECO 5A	**54%**	52%	62%	**56%**	65%
AECO 7A	**2%**	-	-	**1%**	-
Alliance 5A	**8%**	9%	8%	**8%**	10%
Chicago City-Gate at NIT	**7%**	7%	5%	**6%**	5%
Chicago Interstates at ATP	**6%**	7%	5%	**6%**	1%
Dawn at NIT	**10%**	11%	5%	**9%**	5%
Henry Hub	**1%**	3%	-	**2%**	-
Station 2	**12%**	11%	15%	**12%**	14%

Fourth quarter 2023 compared to third quarter 2023:

In the fourth quarter of 2023, the Company's petroleum and natural gas sales increased 28% as compared to the third quarter of 2023, as a result of a 15% increase in production combined with an 11% increase in the average realized commodity price during the quarter that was in part due to the significant increase in condensate production.

The Company's fourth quarter realized light crude oil price decreased 6% over the third quarter of 2023, which is consistent with the 3% decrease in the Company's WTI benchmark as compared to the previous quarter.

Crew's average realized ngl price increased 3% in the fourth quarter as compared to the third quarter of 2023, due to increases in realized propane and butane component prices, derived from the Company shifting to trucking a larger portion of its ngl volumes to higher valued local markets. The Company's fourth quarter average realized condensate price decreased 3% over the third quarter of 2023, which was consistent with the slight decrease in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price decreased by 8% in the fourth quarter of 2023 as compared to the previous quarter, which is consistent with the 7% decrease in the Company's natural gas sales portfolio weighted benchmark price.

Fourth quarter 2023 compared to fourth quarter 2022:

The fourth quarter 2023 petroleum and natural gas sales decreased 34% as compared to the same period in 2022, as a result of a 30% decrease in Crew's average realized commodity price as commodity prices weakened when compared to robust commodity prices realized in the fourth quarter of 2022, combined with a 6% decrease in production.

The Company's fourth quarter average realized light crude oil price decreased 11% over the fourth quarter of 2022, which was higher than the Company's WTI benchmark decrease of 5%, mainly due to increases in pipeline tariff and differential deductions which negatively impact the average realized commodity price.

Crew's average realized ngl price decreased 27% in the fourth quarter as compared to the same period in 2022, due to decreases in the value of component pricing, in particular with realized propane and butane pricing across North America. The Company's fourth quarter average realized condensate price decreased 12% over the same period in 2022, which was consistent with the 8% decrease in the Condensate at Edmonton benchmark price.

Crew's average realized natural gas price decreased by 60% in the fourth quarter of 2023, which is consistent with the 55% decrease in the Company's natural gas sales portfolio weighted benchmark price.

Year ended 2023 compared to year ended 2022:

For 2023, the Company's petroleum and natural gas sales decreased 45% as compared to the prior year as a result of a 40% decrease in the average realized commodity price, combined with a 9% decrease in production.

The Company's average realized light crude oil price decreased 21%, which was higher when compared to the 14% decrease in the WTI benchmark due to increases in pipeline tariffs and differential deductions which negatively impact the average realized commodity price.

Crew's average realized ngl price decreased 35% in 2023 as compared to 2022, due to decreases in the values of all component pricing across North America. The Company's average realized condensate price decreased 18%, which was consistent with the 15% decrease in the Condensate at Edmonton benchmark price as compared to the prior year.

The Company's average realized natural gas price decreased 55% over 2022, which is consistent with the 54% decrease in the Company's natural gas sales portfolio weighted benchmark price.

Royalties

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Royalties	**6,447**	6,158	18,424	**30,215**	59,537
Per boe	**2.27**	2.49	6.09	**2.74**	4.90
Percentage of petroleum and natural gas sales	**7.2%**	8.8%	13.5%	**9.2%**	9.9%

For the fourth quarter and year ended December 31, 2023, royalties per boe and as a percentage of petroleum and natural gas sales decreased as compared to the previous quarter and same periods in 2022, mainly due to decreases in the average realized commodity prices, as royalty rates fluctuate on a sliding scale with increases and decreases in the underlying commodity price and the addition of production from 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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Realized gain (loss) on derivative financial instruments	**8,892**	6,127	(17,300)	**53,262**	(85,910)
Per boe	**3.13**	2.48	(5.72)	**4.84**	(7.07)
Unrealized gain (loss) on financial instruments	**10,961**	(15,532)	48,831	**(14,294)**	43,016

Included in the year ended December 31, 2023 realized gain on derivative financial instruments is a gain of $11.8 million earned in the second quarter of 2023 on the monetization of a portion of the Company's natural gas derivative contracts covering an average of 25,700 gj per day for the June through December 2023 period.

As at December 31, 2023, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas – AECO Daily Index:				
2,500 gj/day	January 1, 2024 - March 31, 2024	$2.84/gj	Swap	$ 222
2,500 gj/day	April 1, 2024 - June 30, 2024	$2.45/gj	Swap	179
2,500 gj/day	July 1, 2024 - September 30, 2024	$2.46/gj	Swap	163
2,500 gj/day	October 1, 2024 - December 31, 2024	$3.30/gj	Swap	186
Crude Oil – CDN$ WTI:				
500 bbl/day	January 1, 2024 - March 31, 2024	$100.18/bbl	Swap	225
250 bbl/day	January 1, 2024 - June 30, 2024	$113.50/bbl	Swap	829
250 bbl/day	January 1, 2024 - December 31, 2024	$110.50/bbl	Swap	1,463
CDN$ Edmonton C5 Blended Index:				
250 bbl/day	January 1, 2024 - June 30, 2024	$104.25/bbl	Swap	584
1,750 bbl/day	January 1, 2024 - December 31, 2024	$104.01/bbl	Swap	8,456
Total				**$ 12,307**

Subsequent to December 31, 2023, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
Natural Gas – AECO Monthly Index:			
10,000 gj/day	January 1, 2025 - December 31, 2025	$2.75 - $3.25	Collar(1)

Note:
(1) The referenced contract is a costless collar whereby the Company receives $2.75/gj when the market price is below $2.75/gj and receives $3.25/gj when the market price is above $3.25/gj.

Net Operating Costs(1)

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Operating costs	**10,722**	12,372	11,115	**48,364**	47,759
Processing revenue	**(622)**	(557)	(616)	**(2,425)**	(3,441)
Net operating costs(1)	**10,100**	11,815	10,499	**45,939**	44,318
Per boe(1)	**3.55**	4.79	3.47	**4.17**	3.65

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.

During the fourth quarter of 2023 and year ended December 31, 2023, net operating costs per boe increased as compared to the same periods in 2022, as a result of decreased production levels combined with increases in the British Columbia carbon tax levy. Net operating costs for the fourth quarter of 2023 decreased when compared to the previous quarter due to new production from wells which yield lower incremental per unit operating costs, combined with government rebates to help offset greenhouse gas levies incurred.

Net Transportation Costs(1)

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Transportation costs	**11,842**	11,053	10,701	**45,150**	45,120
Transportation revenue	**(2,185)**	(1,827)	(1,485)	**(7,108)**	(5,892)
Net transportation costs(1)	**9,657**	9,226	9,216	**38,042**	39,228
Per boe(1)	**3.39**	3.74	3.05	**3.45**	3.23

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.

For the fourth quarter of 2023 and year ended December 31, 2023, net transportation costs and net transportation costs per boe increased when compared to the same periods in 2022, due to increases in trucking charges for the Company's increased condensate production combined with increases in regulated pipeline tariffs for natural gas production that was transported under existing firm transportation service. Net transportation costs per boe for the fourth quarter of 2023 decreased when compared to the previous quarter due to increased utilization of firm transportation service to transport increased natural gas production, coupled with an increase in mitigated firm take or pay transportation service. Transportation revenue is derived from the assignment of portions of the Company's committed long-term natural gas transportation to third parties, including assignment to a third party who manages the transportation and markets an equivalent volume of the Company's natural gas sales on Crew's behalf.

Operating Netbacks[1]

($/boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Petroleum and natural gas sales	**31.68**	28.48	45.25	**29.76**	49.28
Royalties	**(2.27)**	(2.49)	(6.09)	**(2.74)**	(4.90)
Realized gain (loss) on derivative financial instruments	**3.13**	2.48	(5.72)	**4.84**	(7.07)
Net operating costs[1]	**(3.55)**	(4.79)	(3.47)	**(4.17)**	(3.65)
Net transportation costs[1]	**(3.39)**	(3.74)	(3.05)	**(3.45)**	(3.23)
Operating netbacks[1]	**25.60**	19.94	26.92	**24.24**	30.43
Production (boe/d)	**30,928**	26,834	32,893	**30,178**	33,277

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 fourth quarter of 2023 increased by 28% when compared to the third quarter of 2023, as a result of higher realized petroleum and natural gas sales combined with lower net transportation costs, royalties, net operating costs and higher realized gains on derivative financial instruments.

Operating netbacks for the fourth quarter of 2023 decreased 5% when compared to same period in 2022 as a result of lower petroleum and natural gas sales, higher net transportation and net operating costs, partially offset by realized gains on derivative financial instruments and a decrease in royalties.

For the year ended December 31, 2023, operating netbacks decreased 20% as compared to the same period in 2022 due to a significant decrease in petroleum and natural gas sales combined with higher net operating costs and net transportation costs. These decreases were partially offset by a decrease in royalties and realized gains on derivative financial instruments.

General and Administrative Costs

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Gross costs	**4,966**	4,254	5,203	**18,912**	18,703
Operator's recoveries	**(49)**	(8)	(25)	**(56)**	(105)
Capitalized costs	**(1,652)**	(1,434)	(1,634)	**(6,395)**	(6,637)
General and administrative expenses	**3,265**	2,812	3,544	**12,461**	11,961
Per boe	**1.15**	1.14	1.17	**1.13**	0.98

Gross general and administrative ("G&A") costs and G&A per boe decreased in the fourth quarter of 2023 as compared to the same period in 2022, due to a decrease in compensation costs partially offset by increases due to inflationary pressures. Gross G&A costs and G&A per boe increased in the fourth quarter and year ended December 31, 2023 as compared to the previous quarter and year ended December 31, 2022, as a result of the aforementioned inflationary pressures and lower production.

Share-Based Compensation

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Gross costs	**4,198**	4,231	3,853	**17,362**	12,661
Capitalized costs	**(2,036)**	(1,951)	(1,915)	**(8,236)**	(6,345)
Total share-based compensation	**2,162**	2,280	1,938	**9,126**	6,316

In the fourth quarter and year ended December 31, 2023, the Company's share-based compensation expenses increased as compared to the same periods in 2022 as a result of an increase in the estimated performance multiplier applied to outstanding performance awards in recognition of the Company's operational performance.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Depletion and depreciation	**22,982**	20,604	25,167	**88,726**	99,786
Per boe	**8.08**	8.35	8.32	**8.06**	8.22

Depletion and depreciation costs decreased in the fourth quarter and year ended December 31, 2023 as a result of lower production as compared to the same periods in 2022, along with a change in the production mix between areas, where there was increased production in areas that yield lower depletion rates than the corporate average. Depletion and depreciation costs increased in the fourth quarter as compared to the previous quarter as a result of higher production.

At December 31, 2023, the Company completed an indicators of impairment assessment and concluded that an impairment test was not required.

Finance Expenses

($ thousands, except per boe)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Interest on bank loan and other	**1,915**	1,120	4	**4,070**	2,321
Interest on senior notes	**-**	-	2,818	**3,584**	17,095
Interest on lease obligations	**18**	20	25	**82**	106
Accretion of deferred financing charges	**-**	-	149	**199**	854
Accretion of the decommissioning obligation	**345**	329	388	**1,438**	1,289
Loss on redemption of 2024 Notes	**-**	-	-	**813**	1,941
Total finance expense	**2,278**	1,469	3,384	**10,186**	23,606
Average long-term debt level(1)	**62,830**	29,294	172,088	**89,495**	297,001
Average drawings on bank loan(1)	**62,830**	29,294	88	**34,360**	33,472
Average senior unsecured notes outstanding(1)	**-**	-	172,000	**55,134**	263,529
Effective interest rate on senior unsecured notes	**-**	-	6.5%	**6.5%**	6.5%
Effective interest rate on long-term debt	**8.5%**	8.8%	6.5%	**7.3%**	6.3%
Interest expense on debt per boe(2)	**0.67**	0.45	0.98	**0.71**	1.67

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 fourth quarter and year ended December 31, 2023 as compared to the same periods in 2023, due to the reduction in outstanding long-term debt over the past year as a result of the generation of Free AFF(1). This facilitated the redemption of $172.0 million of 2024 Notes in the second quarter of 2023 combined with the $130.0 million non-core asset sale that facilitated the redemption of $128.0 million of 2024 Notes in the third quarter of 2022. The Company's financing expenses increased in the fourth quarter of 2023 as compared to the previous quarter due to increased drawings on the bank loan directed towards continued capital investment.

Gain on Divestitures of Property, Plant and Equipment

During the second quarter of 2023, the Company disposed of fee simple surface land rights 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.

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

Deferred Income Taxes

In the fourth quarter of 2023 and year ended December 31, 2023, the provision for deferred income tax was an expense of $13.4 million and $41.6 million, respectively, as compared to a deferred tax expense of $25.0 million and $91.5 million in the fourth quarter of 2022 and year ended December 31, 2022, respectively. The decrease in deferred tax expense in the fourth quarter and year ended December 31, 2023 was due to lower net income in these periods as compared to the same periods in 2022, mainly due to a decrease in petroleum and natural gas sales and a decrease in the gain realized on the divestiture of property, plant and equipment.

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

($ thousands)	**December 31, 2023**	December 31, 2022
Cumulative Canadian Exploration Expense	**278,100**	271,300
Cumulative Canadian Development Expense	**293,700**	271,900
Undepreciated Capital Cost	**119,200**	106,400
Non-capital losses	**184,700**	252,800
Other	**7,200**	22,700
	882,900	925,100

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

($ thousands, except per share amounts)		**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Cash provided by operating activities		**58,721**	46,056	62,570	**241,373**	317,337
Adjusted funds flow		**67,643**	45,313	74,994	**246,508**	337,345
Per share[(1)]	-basic	**0.44**	0.29	0.49	**1.60**	2.21
	-diluted	**0.42**	0.28	0.46	**1.52**	2.08
Net income		**39,733**	4,878	71,383	**119,694**	264,359
Per share	-basic	**0.26**	0.03	0.47	**0.78**	1.73
	-diluted	**0.24**	0.03	0.44	**0.74**	1.63

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 both the fourth quarter and year ended December 31, 2023 as compared to the same periods in 2022, predominantly due to lower petroleum and natural gas sales. Cash provided by operating activities, AFF and net income increased in the fourth quarter as compared to the previous quarter, predominantly due to higher petroleum and natural gas sales. In addition, net income increased due to an unrealized gain on derivative financial instruments.

Capital Expenditures, Property Acquisitions and Dispositions

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Land	**310**	391	386	**1,241**	1,470
Seismic	**(96)**	160	(1,034)	**369**	(577)
Drilling and completions	**41,302**	79,662	52,031	**160,429**	140,804
Facilities, equipment and pipelines	**9,920**	22,158	7,543	**47,986**	28,028
Other	**1,729**	1,674	1,713	**7,003**	6,896
Total property, plant and equipment expenditures	**53,165**	104,045	60,639	**217,028**	176,621
Net property dispositions[1]	**-**	(20)	(7)	**(1,016)**	(129,787)
Net capital expenditures[1]	**53,165**	104,025	60,632	**216,012**	46,834

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 fourth quarter of 2023, the Company spent a total of $53.2 million on property, plant and equipment expenditures. The majority of this amount was spent on the continued development of the Company's Montney assets. During the quarter, $41.3 million was spent on drilling and completion activities, $9.9 million on facilities, equipment and pipelines and $2.0 million on land, seismic and other miscellaneous amounts. The Company drilled seven (7.0 net) liquids-rich natural gas wells in Septimus and completed six (6.0 net) liquids- rich natural gas wells in Septimus.

In 2023, Crew drilled a total of 22 (22.0 net) wells and completed 12 (12.0 net) wells. The Company's spending focus in 2023 was on drilling and completions activity in the Greater Septimus, Groundbirch and Tower areas, as well as expenditures on facilities, equipment and pipeline activity that were highlighted by the addition of waste heat recovery and new condensate stabilization at the Septimus gas processing facility, and initial spending on the West Septimus electrification project.

GUIDANCE

The following tables sets forth Crew's guidance and underlying material assumptions for 2023 and 2024 and a comparative review of the 2023 actual results to previous guidance:

	2023 guidance and assumptions	2023 actuals
Property, plant and equipment expenditures ($Millions)	220–230	217
Net capital expenditures(2) ($Millions)	220–230	216
Annual average production (boe/d)	30,000–31,000	30,178
Adjusted funds flow ($Millions)	240–260	247
Free adjusted funds flow(2) ($Millions)	10–40	29
EBITDA(2) ($Millions)	250–270	254
Light crude oil price (WTI)($US per bbl)	$79.00	$77.62
Natural gas price (NYMEX) ($US per mmbtu)	$2.75	$2.74
Natural gas price (AECO 5A) ($C per mcf)	$2.75	$2.50
Natural gas price (Crew est. wellhead) ($C per mcf)	$2.95	$2.84
Foreign exchange ($US/$CAD)	$0.74	$0.74
Royalties	9–11%	9%
Net operating costs(2) ($ per boe)	$4.50–$5.00	$4.17
Net transportation costs(2) ($ per boe)	$3.50–$4.00	$3.45
G&A ($ per boe)	$1.00–$1.20	$1.13
Effective interest rate on long-term debt	6.5–7.5%	7.3%

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 Measures" contained within this MD&A.

Crew's 2023 actual results for production, G&A and effective interest rates on long-term debt were within the guidance range, with net capital expenditures, net operating costs and net transportation costs below the guidance range, resulting in the 2023 actual results for AFF, Free AFF and EBITDA within the forecasted ranges. Net capital expenditures were below the guidance range partially due to savings on capital projects and partially due to the deferral of expenditures into 2024. Net operating costs were below the guidance range due to operational efficiencies realized and a higher than forecasted carbon tax recovery. Net transportation costs were below the guidance range due to take or pay mitigation efforts.

The current 2024 guidance and underlying material assumptions are consistent with prior guidance.

	2024 guidance and assumptions(1)
Net capital expenditures(2) ($Millions)	165–185
Annual average production (boe/d)	29,000–31,000
Natural gas weighting	73–75%
Royalties	8–10%
Net operating costs(2) ($ 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.

LIQUIDITY AND CAPITAL RESOURCES

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.

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

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

($ thousands)	**December 31, 2023**	December 31, 2022
Cash and cash equivalents	**-**	54,737
Accounts receivable	**33,931**	62,900
Accounts payable and accrued liabilities	**(58,804)**	(95,793)
Working capital (deficiency) surplus	**(24,873)**	21,844

($ thousands)	**December 31, 2023**	December 31, 2022
Bank loan	**(74,259)**	-
Senior unsecured notes	**-**	(171,298)
Other long-term obligations	**(18,223)**	-
Working capital (deficiency) surplus	**(24,873)**	21,844
Net debt	**(117,355)**	(149,454)

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 bank facility to satisfy working capital requirements. At December 31, 2023, the Company has a working capital deficit of $24.9 million, with $74.3 million of drawings on its $250 million bank facility described below.

Bank Loan

As at December 31, 2023, 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 31, 2024. 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 May 31, 2024. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

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 $172.0 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.

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at March 7, 2024, there were 156,229,468 common shares of the Company issued and outstanding, net of 1,837,299 common shares held in trust for the potential future settlement of awards granted under the Company's Restricted and Performance Award Incentive Plan. In addition, there were 2,408,983 restricted awards and 3,595,076 performance awards outstanding.

The Company provides funds to an independent trustee to acquire common shares in the open market, which are held in trust for the potential future settlement of restricted and performance award values. The common shares held in trust are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the year ended December 31, 2023, the trustee purchased 3,483,000 common shares for a total cost of $18.0 million and as at December 31, 2023, the trustee held 1,507,000 common shares in trust.

Related-Party and Off-Balance-Sheet Transactions

Crew was not involved in any off-balance-sheet transactions or related party transactions during the year ended December 31, 2023.

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)	-	74,259	-	-	-	-
Lease obligations	696	696	232	-	-	354
Other long-term obligations	-	18,223	-	-	-	-
Firm transportation agreements	39,204	47,488	45,782	37,247	23,054	80,490
Firm processing agreement	18,752	18,718	18,718	10,425	6,381	71,028
Total	**58,652**	**159,384**	**64,732**	**47,672**	**29,435**	**151,872**

Note:
(1) Based on the existing terms of the Company's Facility, the first possible repayment date may come in 2025. 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 accrued interest.

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

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

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

ADDITIONAL DISCLOSURES

Risks and Uncertainties

Crew's activities expose it to a variety of financial and operational risks and uncertainties that arise as a result of its exploration, development, production, and financing activities. Crew's business could also be affected by additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial. If any of these risks actually occur, it could materially harm Crew's business, financial condition, results of operations, cash flows or impair the Company's ability to implement business plans or complete development activities as scheduled. While the following sections discuss some of these risks, they should not be construed as exhaustive. For additional information on the risks relating to Crew's business, see 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 environmental, social, governance 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)	**Dec. 31 2023**	Sep. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022	Sep. 30 2022	June 30 2022	Mar. 31 2022
Total daily production (boe/d)	**30,928**	26,834	30,046	32,963	32,893	31,792	35,044	33,399
Property, plant and equipment expenditures	**53,165**	104,045	37,657	22,161	60,639	53,560	7,061	55,361
Net property dispositions[1]	**-**	(20)	(996)	-	(7)	(129,780)	-	-
Average realized commodity price ($/boe)	**31.68**	28.48	24.37	33.94	45.25	45.46	62.16	43.39
Petroleum and natural gas sales	**90,135**	70,317	66,623	100,681	136,948	132,950	198,239	130,432
Cash provided by operating activities	**58,721**	46,056	69,952	66,644	62,570	82,322	117,363	55,082
Adjusted funds flow	**67,643**	45,313	59,035	74,517	74,994	69,417	115,274	77,660
Per share[2] – basic	**0.44**	0.29	0.38	0.48	0.49	0.46	0.76	0.51
– diluted	**0.42**	0.28	0.36	0.46	0.46	0.43	0.71	0.48
Net income (loss)	**39,733**	4,878	33,729	41,354	71,383	105,658	88,695	(1,377)
Per share – basic	**0.26**	0.03	0.22	0.27	0.47	0.69	0.58	(0.01)
– diluted	**0.24**	0.03	0.21	0.26	0.44	0.65	0.55	(0.01)

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 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, 2022 and 2023, 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 have significantly increased production, petroleum and natural gas sales, cash provided by operating activities, AFF and net income over the last eight quarters.

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 2024 Notes 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 2024 Notes.

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

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

($ thousands, except per share amounts)		**Year ended Dec. 31, 2023**	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Petroleum and natural gas sales		**327,756**	598,569	332,848
Cash provided by operating activities		**241,373**	317,337	119,156
Adjusted funds flow		**246,508**	337,345	132,869
Per share[(1)]	-basic	**1.60**	2.21	0.87
	-diluted	**1.52**	2.08	0.82
Net income		**119,694**	264,359	205,299
Per share	-basic	**0.78**	1.73	1.34
	-diluted	**0.74**	1.63	1.27
Daily production (boe/d)		**30,178**	33,277	26,443
Average realized commodity price ($/boe)		**29.76**	49.28	34.49
Total assets		**1,674,870**	1,630,599	1,490,658
Working capital (deficiency) surplus		**(24,873)**	21,844	(33,068)
Other long-term obligations		**18,223**	-	-
Bank loan		**74,259**	-	75,067
Senior unsecured notes		**-**	171,298	297,834
Total other long-term liabilities		**214,238**	173,957	105,598

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

Over the last three years, a volatile commodity price environment had a significant impact on petroleum and natural gas sales, cash provided by operating activities, adjusted funds flow and net income. The recovery of oil and natural gas prices in the second half of 2020, after an extended period of poor fundamentals for oil and gas pricing and the initial impact of COVID-19, provided Crew with the opportunity to strategically increase capital spending to grow production and improve the Company's sustainability. The increased production combined with a continued strengthening of oil and gas prices has had a positive impact on petroleum and natural gas sales, cash provided by operating activity, adjusted funds flow and net income in the last three years. The strength of the Company's 2023 and 2022 AFF resulted in Free AFF[(1)] of $29.5 million and $160.7 million, respectively. These amounts along with $130.0 million of proceeds from the sale of non-core assets at Attachie and Portage, facilitated the early repayment of the Company's $300.0 million of senior unsecured notes through two installments in September 2022 and April 2023.

The significant decline in forecasted future commodity prices that occurred in early 2020 due to COVID-19 and other market dynamics led to the assessment and realization of impairment charges on the Company's CGUs in 2020. The subsequent recovery in oil and gas prices in the second half of 2020 carrying into 2021 led to the reversal of the impairment charges in 2021. During 2023 and 2022, the Company completed an indicators of impairment assessment and concluded that an impairment test was not required and no impairment was recorded.

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.

Changing Regulation

On June 26, 2023, the International Sustainability Standards Board ("ISSB") issued IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after January 1, 2024. The sustainability standards as issued by the ISSB provide for transition relief in IFRS S1 that allow a reporting entity to report only on climate-related risks and opportunities, as set out in IFRS S2, in the first year of reporting under the sustainability standards.

The Canadian Securities Administrators ("CSA") are responsible for determining the reporting requirements for public companies in Canada and are responsible for decisions related to the adoption of the sustainability disclosure standards, including the effective annual reporting dates. The CSA issued proposed National Instrument ("NI 51-107 – Disclosure of Climate-related Matters") in October 2021. The CSA has indicated it will consider the ISSB sustainability standards and developments in the United

States in its decisions related to developing climate-related disclosure requirements for reporting issuers in Canada. The CSA will involve the Canadian Sustainability Standards Board ("CSSB") for their combined review of the ISSB issued sustainability standards for their suitability for adoption in Canada. Until such time as the CSA and CSSB make decisions on sustainability standard adoption here in Canada, there is no requirement for public companies in Canada to adopt the sustainability standards. The Company is actively evaluating the potential effects of the ISSB issued sustainability standards; however, at this time, the Company is not able to determine the impact on future financial statements, nor the potential costs to comply with these sustainability standards.

Application of Critical Accounting Estimates

Crew's significant accounting policies are disclosed in note 4 of the Company's December 31, 2023 financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Crew continuously refines its management and reporting systems to ensure that accurate, timely and useful information is gathered and disseminated. Crew's financial and operating results incorporate certain estimates including the following:

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

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures, as defined in national Instrument 52-109 Certification of Disclosures in Issuers' Annual and Interim Filings ("NI 52-109"), to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. Such officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures at the financial year end of the Company and have concluded that the Company's disclosure controls and procedures are effective at the financial year end of the Company.

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting, as defined in NI 52-109, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Utilizing the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework (2013), such officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal controls over financial reporting at the financial year end of the Company and concluded that the Company's internal controls over financial reporting are effective, at the financial year end of the Company. The Company is required to disclose herein any change in the Company's internal controls over financial reporting that occurred during the period beginning on October 1, 2023 and ended on December 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No material changes in the Company's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

ADVISORIES

Conversions

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

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

Non-IFRS and Other Financial Measures

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

Capital Management Measures

a) Funds from Operations and Adjusted Funds Flow

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

b) Net debt and Working Capital (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 (dispositions) acquisitions

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

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Property acquisitions	**-**	-	-	**-**	-
Property dispositions	**-**	(20)	(7)	**(1,016)**	(129,990)
Transaction costs on property dispositions	**-**	-	-	**-**	203
Net property dispositions	**-**	(20)	(7)	**(1,016)**	(129,787)

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

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Adjusted funds flow	**67,643**	45,313	74,994	**246,508**	337,345
Financing expenses on debt	**1,915**	1,120	2,971	**7,853**	20,270
EBITDA	**69,558**	46,433	77,965	**254,361**	357,615

d) Free adjusted funds flow

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

($ thousands)	**Three months ended December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Cash provided by operating activities	**58,721**	46,056	62,570	**241,373**	317,337
Change in operating non-cash working capital	**6,350**	(1,238)	7,565	**(2,522)**	8,331
Accretion of deferred financing costs	**-**	-	(149)	**(199)**	(854)
Transaction costs on property dispositions	**-**	-	-	**-**	203
Funds from operations	**65,071**	44,818	69,986	**238,652**	325,017
Decommissioning obligations settled excluding government grants	**2,572**	495	5,008	**7,856**	12,328
Adjusted funds flow	**67,643**	45,313	74,994	**246,508**	337,345
Less: property, plant and equipment expenditures	**53,165**	104,045	60,639	**217,028**	176,621
Free adjusted funds flow	**14,478**	(58,732)	14,355	**29,480**	160,724

e) Net operating costs

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

f) Net operating costs per boe

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

g) Net transportation costs

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

h) Net transportation costs per boe

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

i) Operating netback per boe

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

j) Cash costs per boe

Cash costs per boe is comprised of net operating, net transportation, general and administrative and 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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Net operating costs	**3.55**	4.79	3.47	**4.17**	3.65
Net transportation costs	**3.39**	3.74	3.05	**3.45**	3.23
General and administrative expenses	**1.15**	1.14	1.17	**1.13**	0.98
Interest expense on debt	**0.67**	0.45	0.98	**0.71**	1.67
Cash costs	**8.76**	10.12	8.67	**9.46**	9.53

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 December 31, 2023**	Three months ended September 30, 2023	Three months ended December 31, 2022	**Year ended December 31, 2023**	Year ended December 31, 2022
Interest on bank loan and other	**1,915**	1,120	4	**4,070**	2,321
Interest on senior notes	**-**	-	2,818	**3,584**	17,095
Accretion of deferred financing charges	**-**	-	149	**199**	854
Financing expenses on debt	**1,915**	1,120	2,971	**7,853**	20,270
Production (boe/d)	**30,928**	26,834	32,893	**30,178**	33,277
Interest expense on debt per boe	**0.67**	0.45	0.98	**0.71**	1.67

Supplementary Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

Forward Looking Statements

This MD&A contains certain forward looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward looking information and statements pertaining to the following: Crew's 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 and planned redemption of its senior unsecured notes and timing thereof; the potential for further asset divestures and the anticipated impact of potential future transactions; and similar statements.

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

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 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 March 7, 2024

MANAGEMENT'S REPORT

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

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

KPMG LLP were appointed by the Company's Shareholders to conduct an audit of the financial statements. Their examination included tests and procedures as they considered necessary to provide reasonable assurance that the financial statements are presented fairly in accordance with IFRS as issued by the IASB.

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

(signed)

Dale O. Shwed

President and Chief Executive Officer

(signed)

John G. Leach

Executive Vice-President and Chief Financial Officer

March 7, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Crew Energy Inc.

Opinion

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

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of income and comprehensive income for the years then ended
- the statements of changes in shareholders' equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

Hereinafter referred to as the "financial statements".

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Description of the matter

We draw attention to note 4 and note 7 to the financial statements. The Company uses estimated proved and probable oil and gas reserves to deplete its development and production assets included in PP&E, to assess for indicators of impairment or impairment reversal on the Company's cash generating unit ("CGU") and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of the CGU. The Company has $1,628.6 million of PP&E as at December 31, 2023. The Company depletes its net carrying value of development and production assets using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable oil and gas reserves, taking into account estimated forecasted future development costs necessary to bring those reserves into production and excludes salvage value and undeveloped land related to future development acreage with no associated proved and probable oil and gas reserves. Depletion and depreciation expense on development and production assets was $88.3 million for the year ended December 31, 2023.

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

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

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

Why the matter is a key audit matter

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

How the matter was addressed in the audit

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

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

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

- We evaluated the competence, capabilities and objectivity of the independent third party reserve evaluators engaged by the Company
- We compared forecasted oil and gas commodity prices to those published by other independent third party reserve evaluators
- We compared the 2023 actual production, operating costs, royalty costs and development costs of the Company to those estimates used in the prior year's estimate of proved oil and gas reserves to assess the Company's ability to accurately forecast
- We evaluated the appropriateness of forecasted production and forecasted operating costs, royalty costs and future development costs assumptions by comparing to 2023 historical results. We took into account changes in conditions and events affecting the Company to assess the adjustments or lack of adjustments made by the Company in arriving at the assumptions.

Other Information

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

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2023 Annual Report".

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

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

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

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2023 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

The engagement partner on the audit resulting in this auditor's report is Jason Grodziski.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
March 7, 2024

STATEMENT OF FINANCIAL POSITION

(thousands)	December 31, 2023	December 31, 2022
Assets		
Current Assets:		
Cash and cash equivalents	**$ -**	$ 54,737
Accounts receivable (note 6)	**33,931**	62,900
Derivative financial instruments (note 6)	**12,307**	26,601
	46,238	144,238
Property, plant and equipment (note 7)	**1,628,632**	1,487,276
	$ 1,674,870	$ 1,631,514
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 58,804**	$ 95,793
Decommissioning obligations (note 13)	**3,307**	4,325
	62,111	100,118
Other long-term obligations (note 9)	**18,223**	-
Bank loan (note 10)	**74,259**	-
Senior unsecured notes (note 11)	**-**	171,298
Lease obligations (note 12)	**1,257**	1,899
Decommissioning obligations (note 13)	**43,389**	43,257
Deferred tax liability (note 14)	**169,592**	128,801
	306,720	345,255
Shareholders' Equity		
Share capital (note 15)	**1,460,256**	1,467,213
Contributed surplus	**95,891**	88,730
Deficit	**(250,108)**	(369,802)
	1,306,039	1,186,141
Subsequent event (note 6)		
Commitments (note 16)		
	$ 1,674,870	$ 1,631,514

See accompanying notes to the financial statements.

On behalf of the Board of Directors:

(signed)

Ryan A. Shay

Director

(signed)

Gail A. Hannon

Director

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(thousands, except per share amounts)	**Year ended December 31, 2023**	Year ended December 31, 2022
Revenue		
Petroleum and natural gas sales (note 17)	**$ 327,756**	$ 598,569
Royalties	**(30,215)**	(59,537)
Realized gain (loss) on derivative financial instruments	**53,262**	(85,910)
Unrealized (loss) gain on derivative financial instruments	**(14,294)**	43,016
Processing and transportation revenue (note 17)	**9,533**	9,333
	346,042	505,471
Expenses		
Operating	**48,364**	47,759
Transportation	**45,150**	45,120
General and administrative	**12,461**	11,961
Share-based compensation	**9,126**	6,316
Depletion and depreciation (note 7)	**88,726**	99,786
	203,827	210,942
Income from operations	**142,215**	294,529
Financing (note 18)	**10,186**	23,606
Gain on divestiture of property, plant and equipment (note 7)	**(276)**	(84,214)
Other income (note 19)	**(29,026)**	(740)
Income before income taxes	**161,331**	355,877
Deferred income tax expense (note 14)	**41,637**	91,518
Net income and comprehensive income	**$ 119,694**	$ 264,359
Net income per share (note 15)		
Basic	**$ 0.78**	$ 1.73
Diluted	**$ 0.74**	$ 1.63

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance January 1, 2023	154,377	$1,467,213	$ 88,730	$ (369,802)	$1,186,141
Net income for the year	-	-	-	119,694	119,694
Share-based compensation expensed	-	-	9,126	-	9,126
Share-based compensation capitalized (note 7)	-	-	8,236	-	8,236
Issued from treasury on vesting of share awards	1,382	8,228	(8,228)	-	-
Released from trust on vesting of share awards	4,284	2,819	(2,819)	-	-
Purchase of shares held in trust (note 15)	(3,483)	(18,004)	-	-	(18,004)
Tax deduction on excess value of share awards	-	-	846	-	846
Balance, December 31, 2023	**156,560**	**$1,460,256**	**$ 95,891**	**$ (250,108)**	**$1,306,039**

(thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance January 1, 2022	152,480	$1,481,450	$ 71,865	$ (634,161)	$ 919,154
Net income for the year	-	-	-	264,359	264,359
Share-based compensation expensed	-	-	6,316	-	6,316
Share-based compensation capitalized (note 7)	-	-	6,345	-	6,345
Issued from treasury on vesting of share awards	62	115	(115)	-	-
Released from trust on vesting of share awards	5,885	4,548	(4,548)	-	-
Purchase of shares held in trust (note 15)	(4,050)	(18,900)	-	-	(18,900)
Tax deduction on excess value of share awards	-	-	8,867	-	8,867
Balance, December 31, 2022	**154,377**	**$1,467,213**	**$ 88,730**	**$ (369,802)**	**$1,186,141**

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

(thousands)	**Year ended December 31, 2023**	Year ended December 31, 2022
Cash provided by (used in):		
Operating activities:		
Net income	**$ 119,694**	$ 264,359
Adjustments:		
Unrealized loss (gain) on derivative financial instruments	**14,294**	(43,016)
Share-based compensation	**9,126**	6,316
Depletion and depreciation (note 7)	**88,726**	99,786
Financing expenses (note 18)	**10,186**	23,606
Interest expense (note 18)	**(7,654)**	(19,416)
Gain on divestiture of property, plant and equipment (note 7)	**(276)**	(84,214)
Transaction costs on property dispositions (note 7)	**-**	(203)
Non-operating other income (note 19)	**(29,000)**	-
Deferred income tax expense (note 14)	**41,637**	91,518
Decommissioning obligations settled (note 13)	**(7,882)**	(13,068)
Change in non-cash working capital (note 21)	**2,522**	(8,331)
Cash provided by operating activities	**241,373**	317,337
Financing activities:		
Increase (decrease) in bank loan	**74,259**	(75,067)
Redemption of senior notes (note 11)	**(172,310)**	(129,331)
Payments on lease obligations (note 12)	**(699)**	(347)
Shares purchased and held in trust (note 15)	**(18,004)**	(18,900)
Cash used in financing activities	**(116,754)**	(223,645)
Investing activities:		
Property, plant and equipment expenditures (note 7)	**(217,028)**	(176,621)
Property dispositions (note 7)	**1,016**	129,990
Increase in other long-term obligations (note 9)	**18,223**	-
Non-operating other income (note 19)	**29,000**	-
Change in non-cash working capital (note 21)	**(10,567)**	7,676
Cash used in investing activities	**(179,356)**	(38,955)
Change in cash and cash equivalents	**(54,737)**	54,737
Cash and cash equivalents, beginning of year	**54,737**	-
Cash and cash equivalents, end of year	**$ -**	$ 54,737

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(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 financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). A summary of the material accounting policies and method of computation is presented in note 4.

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

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

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

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

4. Material accounting policies:

(a) Basis of consolidation:

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

(b) Financial instruments:

(i) Non-derivative financial instruments:

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

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

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

(ii) Derivative financial instruments:

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

(c) Property, plant and equipment:

(i) Recognition and measurement:

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

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

(ii) Subsequent costs:

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

(iii) Depletion and depreciation:

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

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

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

(d) Impairment:

(i) Financial assets:

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

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

(ii) Non-financial assets:

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

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

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

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

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

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

(e) Share based payments:

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

(f) Provisions:

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

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

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

(g) Revenue:

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

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

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

(h) Finance expenses:

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

Borrowing costs are recognized in the statements of income using the effective interest method.

(i) Income tax:

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

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

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

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

(j) Earnings per share:

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

(k) Government grants:

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

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

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

Critical judgments in applying accounting policies:

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

(i) Identification of CGUs

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

(ii) Impairment of petroleum and natural gas assets

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

(iii) Deferred income taxes

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

Key sources of estimation uncertainty:

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

(i) Reserves

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

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

(ii) Decommissioning obligations

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

(iii) Share-based payments

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

(iv) Income taxes

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

(v) Financial instruments

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

(vi) Changing regulation

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

5. Determination of fair values:

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

(i) Property, plant and equipment:

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

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

(ii) Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and bank loan:

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and the bank loan are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2023 and December 31, 2022, the fair value of accounts receivable and accounts payable and accrued liabilities approximated their carrying value due to their short term to maturity. The bank loan bears a floating rate of interest and the margins charged by the lenders are indicative of current credit spreads and therefore carrying value approximates fair value.

(iii) Derivatives:

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

(iv) Restricted and performance awards:

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

6. Financial risk management:

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

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

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

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

(a) Credit risk:

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents	**$ -**	$ 54,737
Accounts receivable	**33,931**	62,900
Derivative financial assets	**12,307**	26,601
	$ 46,238	$ 144,238

Cash and cash equivalents:

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

Accounts receivable:

Substantially all of the Company's petroleum and natural gas production is marketed under standard industry terms. Receivables from petroleum and natural gas marketers are normally collected on the 25th day of the month following production. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with large credit worthy purchasers and to sell through multiple purchasers. During 2023, the Company had five investment-grade customers that individually accounted for 10% or more of the Company's total revenues. The Company historically has not experienced any collection issues with its petroleum and natural gas marketers. Receivables from partners within jointly owned assets and operations are typically collected within one to three months of the bill being issued to the partner. The Company attempts to mitigate the risk from these receivables by obtaining partner approval of significant capital expenditures prior to the expenditure. However, the receivables are from participants in the petroleum and natural gas sector and collection of the outstanding balances can be impacted by industry factors such as commodity price fluctuations, limited capital availability and unsuccessful drilling programs. The Company does not typically obtain collateral from petroleum and natural gas marketers or joint asset partners;

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

Derivative financial assets:

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

The carrying amount of cash and cash equivalents, accounts receivable and derivative financial assets, when outstanding, represents the maximum credit exposure. As at December 31, 2023, the Company's accounts receivable consisted of 94% or $31.9 million (December 31, 2022 - $58.5 million) of receivables from petroleum and natural gas marketers, of which all have been subsequently collected, $0.6 million (December 31, 2022 - $0.6 million) from partners with jointly owned assets and operations, none of which has been subsequently collected, and $1.4 million (December 31, 2022 - $3.8 million) of deposits, prepaids and other accounts receivable. The Company does not consider any of its receivables to be past due.

(b) Market risk:

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

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

Foreign currency exchange rate risk:

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

Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its bank loan which bears a floating rate of interest. Average bank debt outstanding during the year ending December 31, 2023 was $34.4 million (December 31, 2022 - $33.5 million). For the year ended December 31, 2023, a 1.0 percent change to the effective interest rate would have had a $0.3 million impact on net income (December 31, 2022 - $0.3 million).

Commodity price risk:

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

Derivative assets and liabilities:

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

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

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

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

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

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

At December 31, 2023, the Company held derivative commodity contracts as follows:

Notional Quantity	Term	Strike Price	Option Traded	Fair Value
Natural Gas – AECO Daily Index:				
2,500 gj/day	January 1, 2024 - March 31, 2024	$2.84/gj	Swap	$ 222
2,500 gj/day	April 1, 2024 - June 30, 2024	$2.45/gj	Swap	179
2,500 gj/day	July 1, 2024 - September 30, 2024	$2.46/gj	Swap	163
2,500 gj/day	October 1, 2024 - December 31, 2024	$3.30/gj	Swap	186
Crude Oil – CDN$ WTI:				
500 bbl/day	January 1, 2024 - March 31, 2024	$100.18/bbl	Swap	225
250 bbl/day	January 1, 2024 - June 30, 2024	$113.50/bbl	Swap	829
250 bbl/day	January 1, 2024 - December 31, 2024	$110.50/bbl	Swap	1,463
CDN$ Edmonton C5 Blended Index:				
250 bbl/day	January 1, 2024 - June 30, 2024	$104.25/bbl	Swap	584
1,750 bbl/day	January 1, 2024 - December 31, 2024	$104.01/bbl	Swap	8,456
Total				**$ 12,307**

As at December 31, 2023, a 10% change in future commodity prices applied against these contracts would have a $6.1 million (December 31, 2022 – $11.0 million) impact on net income.

Subsequent to December 31, 2023, the Company entered into the following derivative commodity contracts:

Notional Quantity	Term	Strike Price	Option Traded
Natural Gas – AECO Monthly Index:			
10,000 gj/day	January 1, 2025 - December 31, 2025	$2.75 - $3.25	Collar(1)

Note:

(1) The referenced contract is a costless collar whereby the Company receives $2.75/gj when the market price is below $2.75/gj, and receives $3.25/gj when the market price is above $3.25/gj.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable and accrued liabilities, the bank loan and 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 10, which is subject to annual renewal by the lenders and has a contractual maturity in 2025, 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 outline Crew's calculation of net debt:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	**$ -**	$ 54,737
Accounts receivable	**33,931**	62,900
Accounts payable and accrued liabilities	**(58,804)**	(95,793)
Working capital (deficiency) surplus	**(24,873)**	21,844
Other long-term obligations	**(18,223)**	-
Bank loan	**(74,259)**	-
Senior unsecured notes	**-**	(171,298)
Net debt	**$ (117,355)**	$ (149,454)

The Company is not subject to externally imposed capital requirements.

The bank loan (note 10) 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.

	Year ended December 31, 2023	Year ended December 31, 2022
Cash provided by operating activities	**$ 241,373**	$ 317,337
Change in operating non-cash working capital	**(2,522)**	8,331
Accretion of deferred financing costs (note 18)	**(199)**	(854)
Transaction costs on property dispositions (note 7)	**-**	203
Funds from operations	**238,652**	325,017
Decommissioning obligations settled net of government grants (note 13)	**7,856**	12,328
Adjusted funds flow	**$ 246,508**	$ 337,345

7. Property, plant and equipment:

Cost	Total
Balance, January 1, 2022	$ 2,300,994
Additions	176,621
Divestitures	(65,328)
Change in decommissioning obligations	2,100
Capitalized share-based compensation	6,345
Balance, December 31, 2022	$ 2,420,732
Additions	217,028
Divestitures	(740)
Change in decommissioning obligations	5,558
Capitalized share-based compensation	8,236
Balance, December 31, 2023	**$ 2,650,814**

Accumulated depletion and depreciation	Total
Balance, January 1, 2022	$ 852,472
Depletion and depreciation expense	99,786
Divestitures	(18,802)
Balance, December 31, 2022	$ 933,456
Depletion and depreciation expense	88,726
Balance, December 31, 2023	**$ 1,022,182**

Net book value	Total
Balance, December 31, 2023	**$ 1,628,632**
Balance, December 31, 2022	$ 1,487,276

The calculation of depletion for the three months ended December 31, 2023 included estimated future development costs of $2,118.2 million (December 31, 2022 - $1,480.7 million) associated with the development of the Company’s proved and probable oil and gas reserves and excludes costs incurred since inception on certain capital projects under construction (note 9) of $9.5 million (December 31, 2022 – nil), salvage value of $43.7 million (December 31, 2022 - $42.4 million) and undeveloped land of $112.7 million (December 31, 2022 - $116.1 million) related to future development acreage, with no associated reserves. Depletion and depreciation expense on development and production assets was $88.3 million (December 31, 2022 - $99.4 million) for the year ended December 31, 2023.

During the second quarter of 2023, the Company disposed of fee simple surface land rights 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.

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

8. Impairment on property, plant and equipment:

At December 31, 2023 and 2022, the Company completed an indicators of impairment assessment and concluded that an impairment test was not required.

9. 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 that are 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 accrued interest.

10. Bank loan:

As at December 31, 2023, 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 31, 2024. 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 May 31, 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 and bankers' acceptances and 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 December 31, 2023, the Company's applicable pricing included a 2.00 percent margin on prime lending, a 3.00 percent stamping fee and margin on bankers' acceptances and 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 December 31, 2023, the Company had issued letters of credit totaling $9.4 million (December 31, 2022 - $11.0 million).

11. 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.

12. Lease obligations:

	As at December 31, 2023	As at December 31, 2022
Less than 1 year	**$ 696**	$ 696
1 – 3 years	**928**	1,392
After 3 years	**354**	587
Total undiscounted future lease payments	**$ 1,978**	$ 2,675
Total undiscounted future interest payments	**(81)**	(161)
Present value of lease obligations	**$ 1,897**	$ 2,514
Current portion of lease obligations, included in accounts payable and accrued liabilities	**(640)**	(615)
Long-term portion of lease obligations	**$ 1,257**	$ 1,899

	Year ended December 31, 2023	Year ended December 31, 2022
Principal payments	**$ 617**	$ 241
Interest payments	**82**	106
Total cash outflows	**$ 699**	$ 347

The Company's total undiscounted future lease payments of $2.0 million (December 31, 2022 – $2.7 million) equate to future lease obligations. This amount excludes commitments for firm transportation and processing agreements, as disclosed in note 16, as they do not meet the definition of a lease as the Company does not control the asset or receive substantially all of the asset's economic benefits.

13. Decommissioning obligations:

	As at December 31, 2023	As at December 31, 2022
Decommissioning obligations, beginning of year	**$ 47,582**	$ 58,214
Obligations incurred	**1,184**	1,185
Obligations settled	**(7,882)**	(13,068)
Obligations divested	**-**	(953)
Change in estimated future cash outflows	**4,374**	915
Accretion of decommissioning obligations	**1,438**	1,289
Decommissioning obligations, end of year	**$ 46,696**	$ 47,582

	Year ended December 31, 2023	Year ended December 31, 2022
Current decommissioning obligations	**$ 3,307**	$ 4,325
Long-term decommissioning obligations	**43,389**	43,257
	$ 46,696	$ 47,582

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 abandon and reclaim 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 $46.7 million as at December 31, 2023 (December 31, 2022 - $47.6 million) based on an inflation adjusted undiscounted total future liability of $108.4 million (December 31, 2022 - $105.2 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 1.6% (December 31, 2022 – 2.1%). The discount factor, being the risk-free rate related to the liability, is 3.0% (December 31, 2022 – 3.3%). The $4.4 million (December 31, 2022 - $0.9 million) change in estimated future cash outflows is a result of a change in the inflation rate, discount factor and estimated future abandonment costs.

During the year-end December 31, 2023, the Company received $0.03 million (December 31, 2022 - $0.7 million) of government grants earned for well site rehabilitation and recognized in Other Income.

14. Income taxes:

(a) Deferred income tax expense:

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

	Year ended December 31, 2023	Year ended December 31, 2022
Income before income taxes	**$ 161,331**	$ 355,877
Combined federal and provincial income tax rate	**25.00%**	25.00%
Computed "expected" income tax expense	**$ 40,333**	$ 88,969
Increase (decrease) in income taxes resulting from:		
Change in income tax rates	**-**	456
Non-deductible expenses and other	**2,782**	2,324
Change in share-based compensation estimate	**(1,478)**	(231)
Deferred income tax expense	**$ 41,637**	$ 91,518

(b) Deferred income tax liability:

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

	December 31, 2023	December 31, 2022
Deferred tax liabilities:		
Property, plant and equipment	**$ 217,022**	$ 193,672
Derivative financial instruments	**3,077**	6,650
Other	**7,348**	3,577
Deferred tax assets:		
Decommissioning obligations	**(11,673)**	(11,895)
Non-capital losses	**(46,182)**	(63,203)
Deferred income tax liability	**$ 169,592**	$ 128,801

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

	January 1, 2023	Recognized in equity	Recognized in other	Recognized in statements of income	December 31, 2023
Property, plant and equipment	$ 193,672	$ -	$ -	$ 23,350	$ 217,022
Decommissioning obligations	(11,895)	-	-	222	(11,673)
Derivative financial instruments	6,650	-	-	(3,573)	3,077
Non-capital losses	(63,203)	-	-	17,021	(46,182)
Other	3,577	(846)	-	4,617	7,348
	$ 128,801	**$ (846)**	**$ -**	**$ 41,637**	**$ 169,592**

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

The Company's assets have an approximate tax basis of $882.9 million at December 31, 2023 (December 31, 2022 - $925.1 million) available for deduction against future taxable income. The following table summarizes the tax pools:

	December 31, 2023	December 31, 2022
Cumulative Canadian Exploration Expense	**$ 278,100**	$ 271,300
Cumulative Canadian Development Expense	**293,700**	271,900
Undepreciated Capital Costs	**119,200**	106,400
Non-capital losses	**184,700**	252,800
Other	**7,200**	22,700
Estimated tax basis	**$ 882,900**	$ 925,100

Non-capital losses will begin expiring in 2041.

15. Share capital:

At December 31, 2023, 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, from time to time, are acquired in the open market by an independent trustee and are held in trust for the potential future settlement of award values and are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the year ended December 31, 2023, the trustee purchased 3,483,000 (December 31, 2022 – 4,050,000) common shares for a total cost of $18.0 million (December 31, 2022 – $18.9 million) and as at December 31, 2023, the trustee holds 1,507,000 (December 31, 2022 – 2,308,000) common shares in trust.

Upon the vesting and settlement of 1,545,000 (December 31, 2022 – 1,825,000) RAs and 2,157,000 (December 31, 2022 – 2,182,000) PAs, when taking into account the earned multipliers for PAs, 1,382,000 (December 31, 2022 – 62,000) common shares of the Company were issued from treasury, 4,284,000 (December 31, 2022 – 5,885,000) common shares were released from trust for the year ended December 31, 2023.

The weighted average fair value of awards granted during the year ended December 31, 2023 was $4.77 (December 31, 2022 – $5.00) per RA granted and $4.76 (December 31, 2022 – $5.18) per PA granted.

The number of RAs and PAs outstanding are as follows:

	Number of RAs	Number of PAs
Balance January 1, 2022	3,660	4,576
Granted	1,250	1,956
Vested	(1,825)	(2,182)
Forfeited	(56)	(47)
Balance December 31, 2022	3,029	4,303
Granted	1,016	1,537
Vested	(1,545)	(2,157)
Forfeited	(91)	(88)
Balance December 31, 2023	**2,409**	**3,595**

Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the year ended December 31, 2023 was 154,354,000 (December 31, 2022 – 152,472,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs. For the year ended December 31, 2023, 7,415,000 (December 31, 2022 – 9,566,000) shares were added to the basic weighted average common shares outstanding to account for the dilution of RAs and PAs. There were 50,000 (December 31, 2022 – nil) RAs and PAs that were not included in the diluted earnings per share calculation because they were anti-dilutive.

The volume weighted average trading price of the Company’s common shares was $5.07 during the year ended December 31, 2023 (December 31, 2022 – $4.97).

16. Commitments:

	2024	2025	2026	2027	2028	Thereafter
Firm transportation agreements	$ 39,204	$ 47,488	$ 45,782	$ 37,247	$ 23,054	$ 80,490
Firm processing agreement	18,752	18,718	18,718	10,425	6,381	71,028
Total	**$ 57,956**	**$ 66,206**	**$ 64,500**	**$ 47,672**	**$ 29,435**	**$ 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 gas processing facilities in northeast British Columbia.

17. Revenue:

Petroleum and natural gas sales:

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

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

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

	Year ended December 31, 2023	Year ended December 31, 2022
Light crude oil	**$ 2,502**	$ 3,986
Natural gas liquids	**24,281**	45,464
Condensate	**156,245**	191,523
Natural gas	**144,728**	357,596
	$ 327,756	$ 598,569

Processing and transportation revenue:

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

	Year ended December 31, 2023	Year ended December 31, 2022
Processing revenue	**$ 2,425**	$ 3,441
Transportation revenue	**7,108**	5,892
	$ 9,533	$ 9,333

For the year ended December 31, 2023, the Company recognized transportation revenue of $7.1 million (December 31, 2022 – $5.9 million), with an offsetting amount of transportation expense resulting from contracted pipeline capacity novated to third parties.

18. Financing:

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense	**$ 7,654**	$ 19,416
Interest on lease obligations	**82**	106
Accretion of deferred financing costs	**199**	854
Accretion of decommissioning obligations	**1,438**	1,289
Loss on redemption of 2024 Notes	**813**	1,941
	$ 10,186	$ 23,606

19. Other income:

Included in other income for the year ended December 31, 2023 is a $29.0 million non-refundable third-party payment under an existing development framework agreement for the contractual settlement of a particular capital obligation, for which no future performance is required by either party.

20. Key personnel expenses:

The aggregate payroll expense of key personnel was as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Short-term benefits	**$ 5,204**	$ 5,382
Long-term benefits	**11,340**	7,849
	$ 16,544	$ 13,231

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

21. Supplemental cash flow information:

Changes in non-cash working capital is comprised of:

		Year ended December 31, 2023		Year ended December 31, 2022
Changes in non-cash working capital:				
Accounts receivable	$	28,969	$	(21,039)
Accounts payable and accrued liabilities		(36,989)		20,864
	$	(8,020)	$	(175)
Operating activities	$	2,522	$	(8,331)
Investing activities		(10,567)		7,676
Change in current portion of lease obligations, included in accounts payable and accrued liabilities		25		480
	$	(8,020)	$	(175)
Interest paid	$	(12,200)	$	(22,391)

DIRECTORS & OFFICERS

OFFICERS

Dale O. Shwed
President and Chief Executive Officer

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

James Taylor
Chief Operating Officer

Jamie L. Bowman
Senior Vice President, Marketing & Originations

Kurtis Fischer
Vice President, Planning & Development

Paul Dever
Vice President, Government & Stakeholder Relations

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

Mark Miller
Vice President, Land & Negotiations

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

BOARD OF DIRECTORS

John A. Brussa
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