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**CREW ENERGY INC.**

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**NOTICE OF ANNUAL AND GENERAL MEETING  
and  
INFORMATION CIRCULAR – PROXY STATEMENT**

**WITH RESPECT TO THE  
ANNUAL AND GENERAL MEETING  
TO BE HELD ON MAY 25, 2004**

**CREW ENERGY INC.**

**Notice of Annual and General Meeting of Shareholders  
to be held Tuesday, May 25, 2004**

**TO: THE SHAREHOLDERS OF CREW ENERGY INC.**

TAKE NOTICE that the Annual and General Meeting (the "Meeting") of the shareholders of Crew Energy Inc. (the "Corporation") will be held in the Wild Rose South Room at the Sheraton Suites Calgary Eau Claire, 255 Barclay Parade S.W., Calgary, Alberta on Tuesday, the 25<sup>th</sup> day of May, 2004 at 3:00 p.m. (Calgary time) for the following purposes:

1. To receive and consider the financial statements of the Corporation for the year ended December 31, 2003, the auditors' report thereon and the report of the Board of Directors;
2. To fix the number of directors to be elected at the Meeting at six;
3. To elect six directors;
4. To appoint the auditors and to authorize the directors to fix their remuneration as such; and
5. To transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular – Proxy Statement accompanying and forming part of this Notice.

**Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Secretary of the Corporation, c/o Valiant Trust Company, 510, 550 - 6th Avenue SW, Calgary, AB., T2P 0S2. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.**

**Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.**

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on April 12, 2004 (the "Record Date"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta, this 19th day of April, 2004.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Dale O. Shwed  
President and Chief Executive Officer

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## CREW ENERGY INC.

### INFORMATION CIRCULAR - PROXY STATEMENT

#### FOR THE ANNUAL AND GENERAL MEETING TO BE HELD ON MAY 25, 2004

#### SOLICITATION OF PROXIES

**This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of CREW ENERGY INC.** (the "Corporation" or "Crew") for use at the Annual and General Meeting of the shareholders of the Corporation (the "Meeting") to be held on the 25th day of May, 2004 at 3:00 p.m. (Calgary time) in the Wild Rose South Room at the Sheraton Suites Calgary Eau Claire, 255 Barclay Parade S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual and General Meeting. Instruments of Proxy must be received by the Secretary of the Corporation c/o Valiant Trust Company, 510, 550 - 6th Avenue SW, Calgary, AB T2P 0S2, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The board of directors of the Corporation (the "Board") has fixed the record date for the Meeting at the close of business on April 12, 2004 (the "Record Date"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed form of proxy are directors and officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than the persons designated in the proxy, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.**

#### BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders of common shares ("Common Shares") of the Corporation who do not hold their Common Shares in their own name ("Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the

instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications ("ADP"). ADP typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to ADP. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with an ADP sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by ADP well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by ADP well in advance of the Meeting.**

Although a Beneficial Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Holder may attend at the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

#### **REVOCABILITY OF PROXY**

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

#### **PERSONS MAKING THE SOLICITATION**

**The solicitation is made on behalf of the management of the Corporation.** The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual and General Meeting and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor.

## EXERCISE OF DISCRETION BY PROXY

The shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made.

**In the absence of such specification, the shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the instrument of proxy and Notice of Annual and General Meeting. At the time of printing this Information Circular - Proxy Statement, management of the Corporation knows of no such amendment, variation or other matter.**

## MATTERS TO BE ACTED UPON AT MEETING

### Election of Directors

At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at six members and to elect six directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently six directors of the Corporation, each of whom retire from office at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at six members and in favour of the election as directors of the six nominees hereinafter set forth:

Dale O. Shwed	Fred C. Coles
John A. Brussa	Gary J. Drummond
Raymond T. Chan	Dennis L. Nerland

The names and municipalities of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in the Corporation, the period served as director and the principal occupation of each are set forth below. The information as to shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Corporation by the nominees as of April 19, 2004.

Name and Municipality of Residence	Position	Director Since	Principal Occupation During the Last Five Years	Number of Common Shares Owned Directly or Indirectly or Controlled
Dale O. Shwed Calgary, Alberta	President, Chief Executive Officer and Director	June, 2003	President and Chief Executive Officer of the Corporation since June, 2003; prior thereto President and Chief Executive Officer of Baytex Energy Ltd. since June, 1993.	1,865,332 <sup>(6)</sup>
John A. Brussa <sup>(2)(3)(4)</sup> Calgary, Alberta	Chairman	September, 2003	Partner, Burnet, Duckworth & Palmer LLP (a law firm).	172,333 <sup>(7)</sup>

Name and Municipality of Residence	Position	Director Since	Principal Occupation During the Last Five Years	Number of Common Shares Owned Directly or Indirectly or Controlled
Raymond T. Chan <sup>(1)(2)</sup> Calgary, Alberta	Director	June, 2003	President and Chief Executive Officer of Baytex Energy Trust and Baytex Energy Ltd. since September, 2003; prior thereto, Senior Vice President and Chief Financial Officer of Baytex Energy Ltd. since October, 1998.	253,332 <sup>(8)</sup>
Fred C. Coles <sup>(2)(3)(4)</sup> Calgary, Alberta	Director	September, 2003	Independent businessman since April 1, 2002; prior thereto, Executive Chairman of Applied Terravision Systems Ltd.	85,000 <sup>(9)</sup>
Gary J. Drummond <sup>(1)(3)(4)</sup> Nassau, Bahamas	Director	September, 2003	Independent businessman since January 1, 2003; prior thereto, President of Direct Energy Marketing, a subsidiary of Centrica PLC.	120,000 <sup>(10)</sup>
Dennis L. Nerland <sup>(1)(3)(4)</sup> Calgary, Alberta	Director	September, 2003	Partner, Shea Nerland Calnan (a law firm).	129,526 <sup>(11)</sup>

## Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance Committee.
- (5) The Corporation does not have an Executive Committee.
- (6) These common shares are held directly or indirectly or controlled by Mr. Shwed. This amount does not include 330,000 Class C Performance Shares owned directly by Mr. Shwed.
- (7) These common shares are held directly or indirectly or controlled by Mr. Brussa. This amount does not include 60,000 Class C Performance Shares owned directly by Mr. Brussa.
- (8) These common shares are held directly or indirectly or controlled by Mr. Chan. This amount does not include 45,000 Class C Performance Shares held directly by Mr. Chan.
- (9) These common shares are held directly or indirectly or controlled by Mr. Coles. This amount does not include 45,000 Class C Performance Shares held directly by Mr. Coles.
- (10) These common shares are held directly or indirectly or controlled by Mr. Drummond. This amount does not include 45,000 Class C Performance Shares held directly by Mr. Drummond.
- (11) These common shares are held directly or indirectly or controlled by Mr. Nerland. This amount does not include 45,000 Class C Performance Shares held directly by Mr. Nerland.
- (12) This does not include common shares issuable on exercise of outstanding common share purchase warrants.

### Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Accountants, to serve as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP have been the Corporation's auditors since October 31, 2003.

## INFORMATION CONCERNING THE CORPORATION

### Arrangement Involving Crew Energy Inc. and Baytex Energy Ltd.

The Corporation commenced active operations on September 2, 2003 following completion of the plan of arrangement (the "Baytex Arrangement") involving the Corporation, Baytex Energy Ltd. ("Baytex") and certain affiliated companies. Pursuant to the Baytex Arrangement, certain oil and natural gas properties, undeveloped land and related assets in central Alberta and northeastern British Columbia were transferred to Crew, with the remaining Baytex assets being reorganized into an income trust, Baytex Energy Trust.

### Voting Shares and Principal Holders Thereof

Crew is authorized to issue an unlimited number of Common Shares without nominal or par value. As at April 19, 2004, 22,980,696 Common Shares of the Corporation were issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. Crew is also authorized to issue 1,881,000 Class C Performance Shares ("Performance Shares"), of which, as at April 19, 2004, 1,881,000 Performance Shares were issued and outstanding. The Performance Shares are not entitled to vote at the Meeting. A quorum for the transaction of business at the Meeting will be present if not less than two persons are present at the Meeting holding or representing not less than 5% of the shares entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at April 19, 2004, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

As at April 19, 2004, the directors and officers of Crew, as a group, beneficially owned, directly or indirectly, or exercised control over 4,006,522 Common Shares or approximately 17% of the issued and outstanding Common Shares of Crew. Included in this amount are 2,970,000 Common Shares which remain subject to an escrow agreement between the holders and the Corporation, the terms of which include a limitation on the sale of such Common Shares until September 2, 2005 as well as a provision that entitles the Corporation to repurchase Common Shares held by a director or officer at the lower of the then market price of the Common Shares or \$1.65 if and when such individual voluntarily leaves his position with the Corporation prior to September 2, 2005.

### Executive Compensation

#### *Summary Compensation Table*

The following table sets forth certain information regarding the compensation of the President and Chief Executive Officer, the Chief Financial Officer and the other senior executive officers of the Corporation (the "Named Executive Officers").

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)
		Salary (\$) <sup>(1)</sup>	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (#) <sup>(2)</sup>	LTIP Payouts (\$)	
Dale O. Shwed President and Chief Executive Officer	2003	33,333	-	-	-	330,000	-	-
John G. Leach Vice-President, Finance and Chief Financial Officer	2003	33,333	-	-	-	180,000	-	-
Ryan K. Chong Vice-President, Production	2003	33,333	-	-	-	180,000	-	-
Daniel B. Horner Vice-President, Land	2003	33,333	-	-	-	180,000	-	-
S. Dale McAuley Vice-President, Operations	2003	33,333	-	-	-	180,000	-	-
Gary J. Wasylcyia Vice-President, Exploration	2003	33,333	-	-	-	180,000	-	-

## Notes:

- (1) Employment of all Named Executive Officers commenced on September 2, 2003, the date the Corporation commenced active operations following completion of the Baytex Arrangement. Amounts shown in the table represent amounts actually paid in 2003 following the commencement of employment.
- (2) Represents Performance Shares issued upon commencement of Crew's operations to employees, officers and directors at a price of \$0.01 per share. Each Performance Share is convertible into a fraction of a Common Share over a three year period with the conversion rights expiring on September 1, 2007. On conversion, each Performance Share converts at the rate determined by subtracting \$1.65 from the current market price of Crew's Common Shares and dividing the result by the current market price of the Common Shares.
- (3) In addition, each of the Named Executive Officers participated in the Corporation's initial private placement which closed on September 1, 2003, and thereby acquired common share purchase warrants, each of which entitles the holder to purchase one (1) Common Share at a price of \$1.65 per share at any time subsequent to September 1, 2005 and expiring September 30, 2005. As at April 19, 2004, the Corporation had 3,635,000 outstanding common share purchase warrants, of which, officers and directors owned 82%.

**Stock Options**

No stock options were granted to the Named Executive Officers during the period from Crew's inception to December 31, 2003. There have been no options granted to Named Executive Officers to date.

**Directors**

During the period commencing with Crew's inception to and ending December 31, 2003, directors of Crew were not paid any cash compensation for acting as directors. The directors of Crew have received Performance Shares as described under "Executive Compensation – Summary Compensation Table."

## **Composition and Role of Compensation Committee**

The Board has appointed a Compensation Committee comprised of John A. Brussa (Chair), Fred C. Coles, Dennis L. Nerland and Gary J. Drummond. None of these directors are officers of the Corporation and all are "unrelated" for the purposes of the TSX guidelines, as described under "Corporate Governance". The committee's mandate is to formally make recommendations to the Board in respect of compensation issues relating to directors, senior management and staff of the Corporation, including recommending performance objectives and the compensation package for the Chief Executive Officer.

## **Report of Compensation Committee**

The Corporation's compensation philosophy is aimed at attracting and retaining quality and experienced people, which is critical to the success of the Corporation. Executive compensation is comprised of four components: (i) base salary, (ii) bonuses (iii) stock options, and (iv) performance shares.

Recommendations for executive compensation are made by the Compensation Committee to the full Board for approval. Each of the compensation components is summarized below.

### ***Base Salaries***

Base salary ranges are to be determined upon review of comparative data compiled by the Corporation for a number of comparable companies within the oil and gas industry of competitive salaries paid to senior officers. Base salaries paid to senior officers of the Corporation, including the Chief Executive Officer, will be comparable to the average salaries of the Corporation's peer group, using such criteria as revenue, production, cash flow and number of employees. Salaries of executive officers, including that of the Chief Executive Officer, are reviewed annually.

### ***Bonuses***

In addition to base salaries, the Corporation may award cash bonuses to employees of the Corporation, including executive officers. The size of the bonus pool is not set in relation to any formula or specific criteria but is the result of a subjective determination of the Corporation's performance and is approved by the board based upon the recommendations of the Compensation Committee. The Committee's philosophy with respect to executive officer bonuses is to bring overall executive officer cash compensation (ie. salary and bonus) to a level comparable to that of the average total cash compensation received by executive officers of peer surveyed companies during the year in question.

### ***Long Term Incentive Compensation – Stock Options***

Individual stock options are granted under the Corporation's stock option plan (the "Option Plan") to directors, officers and employees and are intended to align executive, employee and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Option Plan rewards overall corporate performance, as measured through the price of the Corporation's shares. In addition, the Option Plan enables executives to develop and maintain a significant ownership position in the Corporation.

Stock options are normally awarded by the Compensation Committee upon the commencement of employment with the Corporation based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation.

Total option grants are presently limited to the number of shares permitted under the rules of the Toronto Stock Exchange (the "TSX"). The options generally vest over three years and generally expire five years after the date of grant.

### ***Long Term Incentive Compensation – Performance Shares***

In conjunction with commencement of Crew's operations, a total of 1,881,000 Performance Shares were issued at a price of \$0.01 per share on September 2, 2003 to directors, officers and employees of, and certain consultants to ("Service Providers") the Corporation. The Performance Shares operate in concert with Crew's Option Plan in that the sum of the maximum number of Common Shares issuable under the Option Plan and the aggregate number of Performance Shares shall not exceed 10% of the issued and outstanding Common Shares of Crew at any time.

On each of September 3, 2004, 2005 and 2006, one-third of a Service Provider's Performance Shares become convertible into Common Shares at the holder's option and remain convertible until the earlier of September 3, 2007 or thirty days following the date upon which the holder ceases to be a Service Provider. The Performance Shares are convertible into a percentage of a Common Share of Crew based upon the ratio derived by subtracting \$1.65 from the closing trading price of the Common Shares on the TSX on the last trading day prior to the date of conversion (the "Current Market Price") and dividing the result by the Current Market Price. If at any time prior to September 2, 2007 a holder of Performance Shares ceases to be a Service Provider, Crew is required to, subject to applicable law, redeem each non-converted Performance Share at a redemption price of \$0.01 per share.

### ***Summary***

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee and the Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Submitted by: John A. Brussa  
Fred C. Coles  
Dennis L. Nerland  
Gary J. Drummond

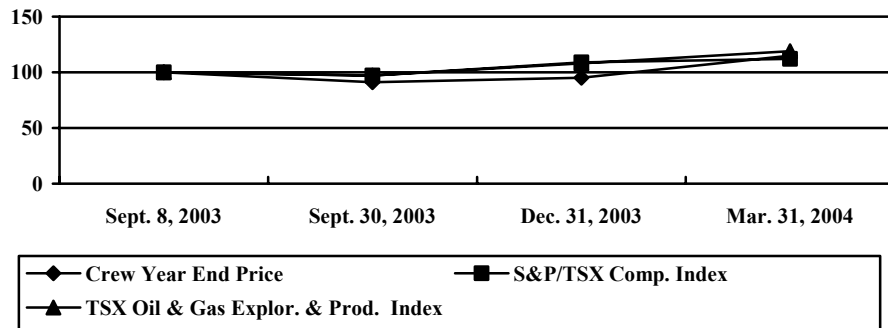
### **Indebtedness of Directors and Officers**

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## Performance Graph

The following graph compares the change in the cumulative total shareholder return from commencement of Crew's operations to the end of Crew's last financial year of a \$100 investment in the Corporation's Common Shares, with the cumulative total return of the S&P/TSX Composite Index and the TSX oil and gas exploration and production index for the comparable period. The Corporation commenced trading on the Toronto Stock Exchange (the "TSX") on September 8, 2003.

**Cumulative Total Return on \$100 Investment  
(September 8, 2003 – March 31, 2004)**



	September 8, 2003	September 30, 2003	December 31, 2003	March 31, 2004
Crew Closing Price	100	91	95	115
S&P/TSX Comp. Index	100	97	109	112
TSX Oil & Gas Exploration & Producers Index	100	97	108	119

## Corporate Governance Practices

In 1995, the TSX adopted a set of guidelines, which were revised in 1999 (the "Guidelines") relating to corporate governance matters. The Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship among a corporation's board, management and shareholders. All corporations listed on the TSX must now annually disclose their approach to corporate governance with specific reference to each of the fourteen specific Guidelines. The Corporation's disclosure with respect to the Guidelines is set forth in Schedule "A" hereto.

The Ontario Securities Commission has published for comment proposals on corporate governance that are intended to replace the Guidelines when they come into force. Those proposals are subject to public comment and final regulatory approval and the Corporation is not aware whether they will be adopted in the form proposed or whether changes will be made to them prior to adoption, and therefore such proposals have not been reflected in the disclosure on the Guidelines provided herein.

**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as disclosed elsewhere herein, there were no material interests, direct or indirect, of directors and senior officers of the Corporation, any shareholder who beneficially owns more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction since inception of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

**INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

**OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and General Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

**APPROVAL AND CERTIFICATION**

The contents and sending of this Information Circular - Proxy Statement has been approved by the Board.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED April 19, 2004.

**CREW ENERGY INC.**

(signed) "Dale O. Shwed"  
President and Chief Executive Officer

(signed) "John G. Leach"  
Vice-President, Finance and Chief Financial Officer



TSX Guidelines	Compliance	Comments
<p>d. a communications policy for the corporation; and</p> <p>e. the integrity of the corporation's internal control management information systems.</p>	<p>Yes</p> <p>Yes</p>	<p>The board approves all the company's major communications, including annual and quarterly reports, financing documents and press releases. The company communicates with its stakeholders through a number of channels including its web site.</p> <p>The board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The board consults with management of the company and the external auditors to ensure the integrity of these systems. The external auditors report annually to the Audit Committee on any identified weaknesses in the companies internal control processes and management information systems.</p>
<p>2. The board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors. An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interest of the corporation, other than interests and relationships arising from shareholding. A related director is a director who is not an unrelated director. If the corporation has a significant shareholder, in addition to a majority of unrelated directors, the board should include a number of directors who do not have interest in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholders. A significant shareholder is a shareholder with the ability to exercise a majority of the votes for the election of the board of directors.</p>	<p>Yes</p>	<p>Of the six board members, Dale Shwed, the president and CEO of the Company is a management director. The remaining five directors are unrelated. The company does not have a significant shareholder.</p>
<p>3. The application of the definition of "unrelated director" to the circumstances of each individual director should be the responsibility of the board which will be required to disclose on an annual basis whether the board has a majority of unrelated directors or, in the case of a corporation with a significant shareholder, whether the board is constituted with the appropriated number of directors which are not related to either the corporation or the significant shareholder. Management directors are related directors. The board will also be required to disclose on an annual basis the analysis of the application of the principles supporting the conclusion.</p>	<p>Yes</p>	<p>The board, through the Corporate Governance Committee, is responsible for determining whether or not each director is an unrelated director. To do this, the board analyzes all the relationships of the directors with the company and its subsidiaries. Dale Shwed is a related director because of his position as President and CEO of the company. The remaining five directors are unrelated directors. None of the other directors work in the day-to-day operations of the company, are party to any material contracts with the company, or directly receive any fees from the company other than as directors. More information about each director, can be found on pages 3-4 of this circular.</p>
<p>4. The board of directors of every corporation should appoint a committee of directors composed</p>	<p>Yes</p>	<p>The Company's Corporate Governance Committee is responsible for recommending suitable candidates as</p>

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exclusively of outside directors, a majority of whom are unrelated directors, with the responsibility for proposing to the full board new nominees to the board and for assessing directors on an ongoing basis.		nominees for open board positions. This Committee is made up of four unrelated directors. This committee is responsible for annually assessing the effectiveness of the board and its individual members.
5. Every board of directors should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual directors.	Yes	It is the responsibility of the Corporate Governance Committee to annually assess the effectiveness of the board as a whole, the Committees of the Board and the contribution of the individual directors. The focus of the assessment is the Board's ability to communicate with management in order to monitor the advancement towards the Company's principal objectives.
6. Every corporation, as an integral element of the process for appointing new directors, should provide an orientation and education program for new recruits to the board.	No	Due to the current size of the company's board of directors and the company's short history, no formal education program currently exists for new directors. Existing directors are expected to provide orientation and education to new members on an informal and ad hoc basis.
7. Every board of directors should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of directors to a number which facilitates more effective decision making.	Yes	As a new company in 2003, the company's originating board members determined that six members was the appropriate size to manage the size and complexity of the company. The board feels that this size will allow them to operate in a prudent and efficient manner. The board, through the Corporate Governance Committee, will continually evaluate its size and composition in relation to the size and complexity of the company's operations and on an annual basis determine if additional members are required.
8. The board of directors should review the adequacy and form of the compensation of the directors and ensure that the compensation realistically reflects the responsibilities and risk involved in being an effective director.	Yes	The Compensation Committee reviews the directors' compensation package once a year. To make its recommendation on directors' compensation, the committee takes into account the types of compensation and the amounts paid to directors of comparable publicly traded, Canadian oil and gas companies. Directors may receive their compensation in the form of cash, stock options or a combination of these. See page 6 of this circular for information about the compensation received by the directors.

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<p>9. Committees of the board of directors should generally be composed of outside directors, a majority of whom are unrelated directors, although some board committees, such as the executive committee may include one or more inside directors.</p>	<p>Yes</p>	<p>The board has appointed four committees:</p> <ul style="list-style-type: none"> <li>• the Audit Committee</li> <li>• the Corporate Governance Committee</li> <li>• the Reserve Committee</li> <li>• the Compensation Committee</li> </ul> <p>The following is a description of each committee:</p> <p><b>Audit Committee</b></p> <p>This committee has three members:  Chair: Raymond Chan, CA  Members: Gary Drummond, Dennis Nerland</p> <p>All members of this committee are outside and unrelated directors. This committee met one time in 2003 and all members attended the meeting.</p> <p>This committee reviews the company's annual consolidated financial statements and quarterly financial statements before the board approves them. It works with management and the external auditors to develop the annual audit plan and review the auditor's recommendations on internal controls. The committee meets with the external auditors independently of management at least once a year. The committee is also responsible for the company's risk management policies.</p>
		<p><b>Corporate Governance Committee</b></p> <p>This committee has four members:  Chair: John Brussa  Members: Gary Drummond, Dennis Nerland, Fred Coles</p> <p>All members of this committee are outside and unrelated directors. This committee did not meet in 2003.</p> <p>This committee is responsible for developing and maintaining the company's corporate governance including:</p> <ul style="list-style-type: none"> <li>• ensuring that the board's mandate is current and inline with the Company's objectives;</li> <li>• disclosing the company's approach to corporate governance;</li> <li>• evaluation of the independence of all board members;</li> <li>• assessing the effectiveness of the board and its committees;</li> </ul>

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		<ul style="list-style-type: none"> <li>recommending suitable candidates as nominees for election to the Board when needed.</li> </ul>
		<p><b>Reserve Committee</b></p> <p>This committee has three members:  Chair: Fred Coles  Members: John Brussa, Raymond Chan</p> <p>All members of this committee are outside and unrelated directors. This committee did not meet in 2003, as the company has not completed an evaluation of its oil and gas reserves subsequent to the inception of operation on September 2, 2003.</p> <p>This committee is responsible for meeting with the company's management to review and consider the company's petroleum and natural gas reserves and the procedures used to evaluate those reserves. The Committee periodically reviews the company's procedures relating to the disclosure of information with respect to estimation of reserves, including its procedures for complying with regulatory and listing requirements. It reviews and approves each appointment of the company's independent qualified reserve engineers. The Committee is to meet annually with the independent qualified reserve engineers in order to:</p> <ul style="list-style-type: none"> <li>review and consider the independent qualified consultants' assessment of the company's petroleum and natural gas reserves;</li> <li>determine whether any restrictions affected the ability of the independent qualified reserve engineers to report on reserve data without reservation;</li> <li>review the independent qualified reserve engineer's report on the company's reserves;</li> <li>review the independent qualified reserve engineer's scope of work, findings and any disputes with management.</li> </ul>
		<p><b>Compensation Committee</b></p> <p>This committee has four members:  Chair: John Brussa  Members: Gary Drummond, Dennis Nerland, Fred Coles</p> <p>All members of this committee are outside and unrelated directors. As the Company did not begin operations until September of 2003, no meetings of the Compensation Committee were held in 2003.</p> <p>This committee is responsible for developing and</p>

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		maintaining the company's compensation practices. These responsibilities include setting the director's compensation. This committee is responsible for developing and recommending management compensation policies, programs and levels to the board to make sure they are aligned with shareholders' interests and corporate performance. This committee also defines the CEO's performance objectives, evaluating the CEO's performance against those objectives and recommending to the board the appropriate level of compensation for the CEO based on his performance and relative to the oil and gas industry.
10. Every board of directors should expressly assume responsibility for, or assign to a committee of directors, the general responsibility for, developing the corporation's approach to governance issues. This committee would, amongst other things, be responsible for the corporation's response to these governance guidelines.	Yes	The Board's appointed Corporate Governance Committee is responsible for reviewing the overall governance principles of the company, recommending any changes to these principles and monitoring their disclosure. This committee is responsible for the statement of corporate governance practices included in the company's management proxy circular.
11. The board of directors, together with the CEO, should develop position descriptions for the board and for the CEO, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives, which the CEO is responsible for meeting.	No	The board of directors has not developed position descriptions for the board and CEO. Due to the small size of the company and its limited history, the board maintains plenary power to manage and supervise the on-going operations of the business and affairs of the company. The board annually approves management's budgets, which define the company's objective for the following year and forms the basis on which management's performance is gauged.
12. Every board of directors should have in place appropriate structures and procedures to ensure that the board can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a director, sometimes referred to as the "lead director". Appropriate procedures may involve the board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the board's relationship to management to a committee of the board.	Yes	The company's board has elected a chairman who is responsible for administering the board's relationship with management. The Chairman has the ability to convene a meeting of non-management directors if he or a majority of the non-management directors feels it necessary. No regularly scheduled meeting of the non-management directors are currently held.
13. The audit committee of every board of directors should be composed only of outside directors. The roles and responsibilities of the audit committee	Yes	The company's Audit Committee consists of three unrelated directors including: Raymond Chan, Gary Drummond and Dennis Nerland. Mr. Drummond and

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<p>should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal controls, it is the responsibility of the audit committee to ensure that management has done so.</p>		<p>Mr. Nerland are financially literate (are able to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto) and Mr. Chan is a Chartered Accountant. The committee's mandate includes the oversight of the Company's management reporting and internal control systems. The company's external auditors have a direct line of communication with the committee at all times. The external auditors must meet with the committee without management present at least once a year. The committee approves all non-audit work performed by the external auditors. The company does not have an internal audit group due to the company's small size.</p>
<p>14. The board of directors should implement a system, which enables an individual director to engage an outside adviser at the expense of the corporation in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.</p>	Yes	<p>Directors may hire outside advisers at the company's expense, subject to the approval of the Chairman. The board or any of its members did not hire outside advisors during 2003.</p>