



CREW ENERGY RE-ISSUES 2006 FOURTH QUARTER AND ANNUAL FINANCIAL RESULTS
CALGARY, ALBERTA – March 9, 2007

Crew Energy Inc. (TSX-CR) of Calgary, Alberta presents the following release that supercedes and replaces the Company's March 8, 2007 press release of its operating and financial results for the three month period and year ended December 31, 2006. The March 8, 2007 release contained certain computational errors in the presentation of comparative reserves numbers from prior years found in the Capital Program Efficiency table.

Highlights

- Fourth quarter production averaged 6,227 boe per day, an increase of 32% over the fourth quarter of 2005 and 8% over the third quarter of 2006;
- Low combined operating, general and administrative and interest costs of \$7.51 resulted in a high fourth quarter funds from operations netback of \$29.16 per boe;
- Funds from operations in the fourth quarter totalled \$16.7 million, a 17% increase over the third quarter of 2006;
- Maintained a strong balance sheet with net debt of \$58.9 million at year-end and a current bank facility of \$120 million;
- Reserves increased 39% over 2005 with the Company adding 10.9 Mmboe through drilling and acquisitions;
- Increased the net present value of the Company's reserves discounted at 8% by 18% to \$398 million;
- Crew's proved plus probable reserve life index (RLI) increased to 9.3 years from 8.8 at the end of 2005.

Financial	Three months ended			Year ended		
(\$ thousands, except per share amounts)	Dec. 31, 2006	Three months ended Dec. 31, 2005	% Chg	Dec. 31, 2006	Year ended Dec. 31, 2005	% Chg
Petroleum and natural gas sales	26,590	30,520	(13)	92,813	87,532	6
Funds from operations (note 1)	16,705	21,084	(21)	56,658	59,491	(5)
Per share - basic	0.43	0.69	(38)	1.62	2.11	(23)
- diluted	0.43	0.65	(34)	1.59	1.86	(15)
Net income	1,796	8,746	(79)	10,776	24,641	(56)
Per share - basic	0.05	0.28	(82)	0.31	0.87	(64)
- diluted	0.05	0.27	(81)	0.30	0.77	(61)
Exploration and development expenditures	30,330	41,422	(27)	123,859	101,698	22
Property acquisitions (net of dispositions)	267	--	--	16,196	--	--
Business Acquisition	71,151	--	--	71,151	--	--
Working capital deficiency				17,714	6,575	169
Bank loan				41,157	--	--
Net debt				58,871	6,575	--
Weighted average shares (thousands)						
Basic	38,404	31,686	21	34,896	28,196	24
Diluted	38,872	32,438	20	35,586	31,956	11

Notes:

- (1) Funds from operations is calculated as cash provided by operating activities from the statement of cash flows, adding change in non-cash working capital and asset retirement expenditures. Funds from operations is used to analyze the Company's operating performance and leverage. Funds from operations does not have a standardized measure prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.

Operations	Three months ended Dec. 31, 2006	Three months ended Dec. 31, 2005	%	Year ended Dec. 31, 2006	Year ended Dec. 31, 2005	%
			Chg			Chg
Daily production						
Light oil and ngl (bbl/d)	1,316	710	85	941	802	17
Natural gas (mcf/d)	29,464	24,119	22	28,526	20,511	39
Oil equivalent (boe/d @ 6:1)	6,227	4,730	32	5,695	4,221	35
Per million diluted shares	160	146	10	160	132	21
Average prices (excluding transportation)						
Light oil and ngl (\$/bbl)	58.84	64.29	(8)	63.47	60.65	5
Natural gas (\$/mcf)	7.18	11.86	(39)	6.82	9.32	(27)
Oil equivalent (\$/boe)	46.41	70.14	(34)	44.65	56.81	(21)
Operating expenses						
Light oil and ngl (\$/bbl)	5.67	4.76	19	5.26	4.70	12
Natural gas (\$/mcf)	1.00	0.86	16	0.90	0.73	23
Oil equivalent (\$/boe @ 6:1)	5.92	5.09	16	5.40	4.42	22
Operating netback (\$/boe) (note 1)	30.75	49.37	(38)	28.88	39.80	(27)
G&A (\$/boe)	0.73	0.55	33	0.81	0.82	(1)
Interest and other (\$/boe)	0.86	0.36	139	0.81	0.37	119
Funds from operations (\$/boe)	29.16	48.46	(40)	27.26	38.61	(29)
Drilling Activity						
Gross wells	12	32	(63)	54	60	(10)
Working interest wells	11.0	28.1	(61)	47.2	52.9	(11)
Success rate, net wells	100%	86%		97%	87%	

Notes:

- (1) Netback - total revenue less royalties, operating costs and transportation costs calculated on a boe basis. Netback does not have a standardized measure prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.

OVERVIEW

During 2006 Crew maintained its capital discipline despite the significant challenges in the Canadian exploration and production sector. Although commodities were attractively priced, cost inflation and in particular service cost inflation negated much of the potential benefits. This has resulted in an industry with over levered balance sheets and reduced activity levels, which historically has signaled the start of a new business cycle.

We are uniquely positioned to take advantage of this new cycle. While we experienced higher costs in 2006, the Company positioned itself through the investment of over \$41 million in facilities and pipelines to retain its low operating cost structure and access Company owned infrastructure in our core areas of operation. This means we are now well positioned to develop the large resource of long-life gas reservoirs on the Company's west central Alberta land base.

In 2007 and beyond we will focus on operations related to developing its long-life gas assets in west central Alberta and continue to develop areas with Company owned infrastructure and dominant land positions. Supporting this strategy is the 75% increase in reserve life index to 9.3 years since the Company started in 2003. Our asset mix has shifted from a shallow eastern Alberta focus to a west-central Alberta focus which now holds 85% of the Company's reserves. We believe there is a significant opportunity on our land base to materially add production and reserves through improvements in drilling, evaluation and stimulation applications. This has been and will continue to be the focus of our operations in the future.

OPERATIONAL UPDATE

Edson, Alberta

The Company spent the fourth quarter setting the stage for an active first quarter drilling and pipelining program at Edson. Crew plans to drill two to three horizontal development wells and two to three exploration wells in the area in the first quarter of 2007. The Company owns 46,523 net acres of land in the Edson area on which over 200 BCF equivalent of gas in place has been mapped. Crew currently has approximately 45 BCF equivalent booked in its 2006 reserve report which is approximately 20% of the reserves in place. The Company believes that recovery factors can be improved through down-spacing of vertical wells or horizontal drilling techniques. The Company's first quarter program is a first step in evaluating the potential for improved recoveries from the Jurassic tight gas reservoirs.

In 2006 Crew drilled 10 (10 net) gas wells and two (2 net) oil wells at Edson. Plans for the remainder of 2007 are to continue evaluating the resource potential of the area through further horizontal and vertical drilling and expanding the Company's land position in the area.

Ferrier, Alberta

In the fourth quarter, Crew drilled two (2 net) gas wells in the Ferrier area. These wells are currently on production at a combined rate of approximately 2.0 Mmcf per day of gas and 120 barrels of oil and NGL's per day (455 boe per day). Crew is evaluating further drilling offsetting these fourth quarter discoveries. Crew closed the acquisition of a private company with assets in the Ferrier area on November 21, 2006. The Company currently has approximately 400 boe per day awaiting tie-in or regulatory approval in the area and has plans to drill one to two wells at Ferrier in the first quarter of 2007.

Viking-Kinsella, Alberta

Crew drilled seven (7 net) wells in this area in the fourth quarter of 2006. This drilling resulted in the casing of all seven wells for gas production. Three of the seven wells are currently on production at a combined rate of 1.5 Mmcf per day (250 boe per day). The Company plans to drill two to three wells in this area in the first quarter of 2007.

Wimborne/Drumheller, Alberta

Crew drilled one (0.5 net) well at Drumheller in the fourth quarter of 2006 resulting in a cased gas well. This well is scheduled to start production in the first quarter of 2007. Crew (WI - 12.5%) participated in the drilling of two wells targeting gas production from the Horseshoe Canyon Coals in 2005. These wells each started production in mid December at 250 mcf per day.

Crew has an interest in 42 net sections of land in this area on which the Company has high graded its drilling inventory targeting coal bed methane to include over 120 wells. In 2007, Crew plans on recompleting the Horseshoe Canyon Coals in its low productivity Belly River gas wells and then commingle the production from both zones.

Laprise/Inga, British Columbia

Crew continues to focus its efforts at Inga in northeastern British Columbia. Two vertical oil wells drilled in 2006 are on production at rates ranging from 30 to 60 boe per day. Utilizing three dimensional seismic and well data, Crew has mapped an oil pool on its lands containing over 12 million barrels of light, 37^o API oil. Crew has submitted a down-spacing application to the British Columbia Oil and Gas Commission for further development of this discovery through horizontal drilling. The Company also has plans to drill a Halfway formation gas target in the second quarter of 2007 which if successful can be tied-in to a 100% owned Crew gas facility.

At year end Crew owned a 100% interest in 12,612 acres at Inga. The Company recently acquired an additional 4,700 net acres through a Crown land-sale that is prospective for natural gas in two zones. The Company has plans to drill two to three wells on this prospect in 2007.

Exploration

The following projects form a part of Crew's strategy to both discover and develop new core areas exposing our shareholders to significant reserve and production additions with the drill bit.

At Hanlan, Alberta, Crew (W.I. - 50.2%) completed a well targeting gas from the Nisku. The well flowed sour gas (6.5% H₂S) at rates of 5.9 to 8.5 Mmcf per day at flowing tubing pressures of 4,208 to 4,487 psi. This well is currently on production at 11.4 Mmcf per day. Crew (W.I. - 50% to 100%) plans on participating in two to three Nisku tests in search of new pools in this area in 2007.

At Kakwa, Alberta, Crew (W.I. - 25%) drilled a 3,200 meter test that came on stream at over 3 Mmcf per day. The well is expected to stabilize in the 750 to 1,000 mcf per day range.

At Ferrier, Alberta, Crew (W.I. - 100%) re-drilled a 2,900 meter test targeting gas/condensate from the Ellerslie formation. This well encountered pay in the targeted zone, has been completed and is now on production at a restricted rate of 2 Mmcf per day. Crew has one additional location identified to be drilled in 2007.

At Strachan, Alberta, Crew (W.I. - 29% bpo, 46.5% apo) plans to drill a 3,700 meter Leduc prospect. This sour gas location is subject to an Energy Utilities Board hearing before a well license will be granted. Productive wells in the area have produced 10 to several hundred BCF of gas with corresponding high daily production rates.

At Medicine River, Alberta, Crew (W.I. - 100%) plans to drill a 3,200 meter test targeting light oil from the Leduc formation. Leduc formation wells in close proximity have produced over 500,000 barrels of light oil.

At Pine Creek, Alberta, Crew (W.I. - 100%) now has four exploration locations identified for drilling. The first well has been drilled and tested at 2.6 Mmcf per day with associated natural gas liquids. The Company has identified two off-set locations to this discovery and is currently surveying a pipeline to connect its Pine Creek area gas production into the Company owned Rosevear gas processing facility.

At Carrot Creek, Alberta, Crew (W.I. - 100%) has recently cased the first well drilled on a four section land block acquired through a 2006 Crown sale. The well is awaiting completion and if successful could yield two to three additional drilling locations.

At Lucky, Alberta, Crew (W.I. - 100%) has drilled the first of two wells targeting natural gas. The first well was drilled and tested successfully and is expected to initially produce 600 to 1,000 mcf per day.

OUTLOOK

2007 Budget

Crew's Board of Directors have approved an exploration and development budget for 2007 of \$134 million which will be funded by the Company's bank facility and funds generated from the Company's on-going operations. Crew exited 2006 in a strong financial position with \$58.9 million of debt representing 0.9 years of annualized fourth quarter cash flow. This affords the Company financial flexibility in a time when the industry in general is experiencing higher debt to cash flow ratios. Crew's focus in 2007 will be to improve its capital efficiency by continuing to control operating costs and reducing on-stream costs. We have seen some early signs of capital costs decreasing although more substantive reductions are necessary to restore the economics to all of the Company's areas of operations. Crew's goal will be to again achieve top tier netbacks for gas levered companies.

High Levels of Activity

Crew plans to drill 65 wells in 2007 with a higher concentration of activity in west central Alberta at Ferrier and Edson as well as northeastern British Columbia. Over the past three years of operations Crew has shifted its asset focus from a predominately shallow eastern Alberta base and a 5.3 year RLI to a deeper west central Alberta base which has increased the Company's RLI to 9.3 years.

Long-life Gas Projects

The Company remains committed to the exploration and development of large gas in place reservoirs. In the Edson area a large resource exists of over 200 BCF equivalent of reserves on Crew lands in the area of which approximately 20% have been booked to the Company's reserve base. With typical recovery factors of 70% to 80% in gas reservoirs, down-spacing at Edson could yield an additional 17 to 20 million boe to Crew. The Company is developing land positions in similar geologic settings in search of new core areas of operations.

Continued Growth

Crew's current sales volumes, based on field estimates, are approximately 7,410 boe per day. The Company has approximately 1,250 boe per day that is behind pipe and has plans to drill an additional 5 to 6 wells before spring break-up. Construction delays at Hanlan and Edson and regulatory delays at Ferrier have slowed the rate of production coming on-stream. These delays are not anticipated to affect exit 2007 production rates which are forecasted to be 9,500 to 10,000 boe per day and are now expected to result in average production of between 8,000 and 8,500 boe per day which is a 6% reduction from previous guidance.

Crew's strong balance sheet, high quality development inventory and exploration upside, position the Company for continued growth through 2007 and beyond. Balance sheet strength will allow the Company flexibility in accelerating drilling programs or make selective acquisitions. The development drilling inventory in west central Alberta is stronger than it has ever been as the Company gears up to exploit the large gas resource at Edson.

Our exploration efforts at Hanlan were rewarded and have lead to up to three additional opportunities which have the potential to materially add production and reserves. We at Crew are excited about the future and believe where there is adversity there is opportunity. Crew is uniquely positioned to take advantage of this opportunity.

We look forward to reporting on the progress of the 2007 business plan in the 2007 first quarter report.

LAND HOLDINGS

During 2006 Crew strategically acquired additional lands through Crown land sales, freehold mineral leasing farm-in arrangements and a business acquisition. A summary of the Company's land holdings at December 31, 2006 is outlined below:

	Developed		Undeveloped	
	Gross	Net	Gross	Net
Alberta	192,712	100,601	210,248	163,793
British Columbia	6,992	5,508	36,725	28,750
Total	199,704	106,109	246,973	192,543
Average working interest		53%		78%

RESERVES

The reserves data set forth below is based upon an independent evaluation by GLJ Petroleum Consultants ("GLJ") with an effective date of December 31, 2006 and dated March 7, 2007 (the "GLJ Report"). The following presentation summarizes the Company's crude oil, natural gas liquids and natural gas reserves and the net present values of future net revenue for the Company's reserves using forecast prices and costs based on the GLJ Report. The GLJ Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101.

Cautionary Statements

BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

All evaluations and reviews of future net cash flows are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions

will be attained and variances could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

Reserves Summary

The Company's total proved plus probable reserves increased by 39% in 2006 to 21.1 Mboe. Proved reserves of 13.4 Mboe comprised 63% of the total proved plus probable reserves. Proved producing reserves of 8.6 Mboe were 65% of total proved reserves. Crew's probable reserves totaled 7.8 Mboe, of which 39% are producing probable reserves. The Company's proved plus probable producing reserves are 11.6 Mboe or 55% of proved plus probable reserves.

The following table provides summary reserve information based upon the GLJ Report and using the GLJ (2007-01) price forecast.

	Light/medium oil		Natural gas liquids		Natural gas		Barrels of oil equivalent	
	Comp. Int. (Mbbbl)	Net (Mbbbl)	Comp. Int. (Mbbbl)	Net (Mbbbl)	Comp. Int. (Mmcf)	Net (Mmcf)	Comp. Int. (Mbbbl)	Net (Mbbbl)
Proved								
Producing	355	313	1,479	1,033	40,684	32,019	8,615	6,683
Non-producing	65	57	1,013	702	14,865	11,218	3,555	2,628
Undeveloped	90	77	53	37	6,224	5,108	1,180	965
Total proved	509	446	2,545	1,772	61,772	48,345	13,350	10,276
Probable	312	280	1,159	821	37,768	30,504	7,766	6,185
Total proved & probable	822	726	3,705	2,593	99,540	78,849	21,116	16,461

Notes:

- (1) "Comp. Int." reserves means, Crew's working interest (operating and non-operating) share before deduction of royalties and including any royalty interest of the Company.
- (2) "Net" reserves means, Crew's working interest (operated and non-operated) share after deduction of royalties obligations, plus Crew's royalty interest in reserves.
- (3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
- (4) May not add due to rounding.

Reserves Values

The estimated before tax future net revenues associated with Crew's reserves effective December 31, 2006 and based on the GLJ (2007 – 01) future price forecast are summarized in the following table:

	0%	5%	10%	15%	20%
Proved					
Producing	272,666	222,524	189,934	166,943	149,785
Non-producing	103,764	84,500	71,926	63,082	56,506
Undeveloped	21,074	12,432	7,383	4,241	2,184
Total proved	397,504	319,456	269,243	234,266	208,475
Probable	238,141	142,178	95,374	68,804	52,096
Total proved and probable	635,645	461,634	364,617	303,070	260,571

Notes:

- (1) The estimated future net revenues are stated before deducting future estimated site restoration costs and are reduced for estimated future abandonment costs and estimated capital for future development associated with the reserves.
- (2) May not add due to rounding.

The GLJ (2007-01) price forecast is summarized as follows:

Year	WTI @ Cushing (US\$/bbl)	Edmonton light crude oil (C\$/bbl)	Natural gas at AECO-C spot (C\$/MMbtu)
2007	62.00	70.25	7.20
2008	60.00	68.00	7.45
2009	58.00	65.75	7.75
2010	57.00	64.50	7.80
2011	57.00	64.50	7.85
2012	57.50	65.00	8.15
2013	58.50	66.25	8.30
2014	59.75	67.75	8.50
2015	61.00	69.00	8.70
2016	62.25	70.50	8.90
2017	63.50	71.75	9.10
2018 +	+2.0%/yr	+2.0%/yr	+2.0%/yr

Reserves Reconciliation

Crew added 10.9 Mmboe of proved plus probable reserves through drilling and acquisitions in 2006. The Company's active 2005 fourth quarter drilling program where the Company spent 41% of its total 2005 expenditures, resulted in many wells that had little or no production histories other than well tests at the time of the effective date of the 2005 reserves evaluation. Actual well production performance for a few of these wells resulted in reserves revisions in 2006.

The proved plus probable reserves revisions were 93.6% attributable to wells exhibiting lower production rates due to lower than estimated permeability or that may require additional compression. The remaining 6.4% of the proved and probable reserves revisions were attributable to reserves that were lost due to water influx in one well at Killam, Alberta.

In the fourth quarter of 2006, Crew drilled 12 (11.0 net) wells versus the 32 (28.1 net) wells drilled in the fourth quarter of 2005. As a result, most wells assigned reserves at the end of 2006 had longer production histories than was experienced in 2005.

The following reconciliation of Crew's Company Interest reserves (see note below) compares changes in the Company's reserves as at December 31, 2005 to the reserves as at December 31, 2006 based on the GLJ (2007 – 01) future price forecast.

	Proved Producing (Mboe)	Total Proved (Mboe)	Total Proved plus Probable (Mboe)
Balance December 31, 2005	7,529	9,769	15,144
Technical revisions	-363	-1,136	-2,795
Exploration discoveries	128	1,096	1,376
Drilling extensions	1,356	3,085	5,346
Infill drilling	104	104	132
Improved recoveries	74	64	153
Acquisitions	1,866	2,447	3,839
Production	-2,079	-2,079	-2,079
Balance December 31, 2006	8,615	13,350	21,116

Notes:

- (1) "Company Interest" reserves means, Crew's working interest (operating and non-operating) share before deduction of royalties and including any royalty interest of the Company.
- (2) May not add due to rounding

Capital Program Efficiency

The efficiency of the Company's capital program for the year ended December 31, 2006 is summarized below. The 2006 finding and development costs were negatively impacted by the revisions related to wells drilled in the fourth quarter of 2005. Despite these revisions, the Company's three year finding and development costs have averaged \$18.18 per boe which is more reflective of the Company's long-term capital efficiency.

	2006		2005		Three Year Average	
	Proved	Proved plus Probable	Proved	Proved plus Probable	Proved	Proved plus Probable
Exploration and Development expenditures (\$ thousands)	123,859	123,859	101,698	101,698	280,736	280,736
Acquisitions (\$ thousands)	87,347	87,347	--	--	87,347	87,347
Change in future development capital (\$ thousands)						
- Exploration and Development	11,098	29,548	3,700	12,434	20,448	47,540
- Acquisitions	2,113	6,730	--	--	2,113	6,730
Reserves additions before revisions (Mboe)						
- Exploration and Development	4,349	7,007	4,489	7,440	13,089	20,499
- Acquisitions	2,447	3,839	--	--	2,447	3,839
Reserves additions after revisions (Mboe)						
- Exploration and Development	3,213	4,212	4,483	7,341	12,468	18,053
- Acquisitions	2,447	3,839	--	--	2,447	3,839
Finding & Development costs (F&D) (note 2)						
F&D costs before change in future capital and revisions (\$/boe)	28.48	17.68	22.65	13.67	21.45	13.70
F&D costs after change in future capital and before revisions (\$/boe)	31.03	21.89	23.48	15.34	23.01	16.01
F&D costs after change in future capital and revisions (\$/boe)	42.00	36.42	23.51	15.55	24.16	18.18
Finding, Development & Acquisition Costs (F,D&A) (note 2)						
F,D&A costs before change in future capital and revisions (\$/boe)	31.08	19.47	22.65	13.67	23.69	15.12
F,D&A costs after change in future capital and before revisions (\$/boe)	33.02	22.82	23.48	15.34	25.14	17.35
F,D&A costs after change in future capital and revisions (\$/boe)	39.65	30.74	23.51	15.55	26.19	19.29
Reserves Replacement						
Reserves additions after revisions (Mboe)	5,660	8,051	4,483	7,341	14,915	21,892
Total production (Mboe)	2,079	2,079	1,540	1,540	4,520	4,520
Reserves replacement	272%	387%	291%	477%	330%	484%
Reserves Life Index ("RLI")						
Total Company Interest reserves (Mboe)	13,350	21,116	9,769	15,144		
Fourth quarter 2006 production (boe/d)	6,227	6,227	4,730	4,730		
Annual 2006 production (boe/d)	5,695	5,695	4,221	4,221		
RLI based on fourth quarter annualized production (years)	5.9	9.3	5.7	8.8		
RLI based on 2006 annual production (years)	6.4	10.2	6.3	9.8		

Notes:

- (1) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.
- (2) NI 51-101 mandates that F&D and F,D &A costs be calculated including future development costs and all revisions. Additional information including calculations excluding future development costs and revisions are provided as Crew believes these amounts allow the reader to better evaluate the impact the Company's 2006 capital expenditures and acquisitions had on the Company's total reserves at December 31, 2006.

Management's Discussion and Analysis

ADVISORIES

Management's discussion and analysis ("MD&A") is the Company's explanation of its financial performance for the period covered by the financial statements along with an analysis of the Company's financial position. Comments relate to and should be read in conjunction with the consolidated financial statements of the Company for the three month periods and years ended December 31, 2006 and 2005 and the audited and consolidated financial statements and Management Discussion and Analysis for the year ended December 31, 2005.

Forward Looking Statements

This MD&A contains forward-looking statements. Management's assessment of future plans and operations, capital expenditures and the method of funding thereof, expected changes to available bank lines, production estimates, wells to be drilled, timing of drilling, tie-in completion of wells and the production resulting therefrom, expected royalty rates, transportation costs and operating costs, and the taxability of the company, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploration, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, the timing and length of plant turnarounds and the impact of such turnarounds and the timing thereof, delays resulting from or inability to obtain required regulatory approvals and the ability to access sufficient capital from internal and external sources. As a consequence, the company's actual results could differ materially from those expressed in, or implied by, the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), or at the company's website (www.crewenergy.com). Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A 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, accept as may be required by applicable securities laws.

Conversions

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Barrel of oil equivalent ("boe") amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.

Non-GAAP Measures

Crew evaluates performance based on net income and funds from operations. Funds from operations is a measure not based on GAAP that is commonly used in the oil and gas industry. It represents cash provided by operating activities before changes in non-cash working capital and asset retirement expenditures. The Company considers it a key measure as it demonstrates the ability of the business to generate the cash flow necessary to fund future growth through capital investment and to repay debt. In addition, management uses Netback, a non-GAAP term, to analyze operating performance and leverage. Netback equals total revenue less royalties, operating costs and transportation calculated on a boe basis.

RESULTS OF OPERATIONS

Production

	Three months ended December 31, 2006			Three months ended December 31, 2005		
	Oil and ngl (bbl/d)	Natural gas (mcf/d)	Total (boe/d)	Oil and ngl (bbl/d)	Natural gas (mcf/d)	Total (boe/d)
Edson, AB	393	9,204	1,927	277	6,784	1,408
Ferrier, AB	708	5,496	1,624	158	1,847	466
Plain Lake, AB	-	4,877	813	-	4,730	788
Viking-Kinsella, AB	3	4,615	772	1	5,643	942
Wimborne/Drumheller, AB	52	2,908	537	70	2,197	436
Northeast British Columbia	134	2,055	477	202	2,258	578
Other	26	309	77	2	660	112
Total	1,316	29,464	6,227	710	24,119	4,730

Fourth quarter production increased over the fourth quarter of 2005 as a result a successful drilling program that added new ngl rich natural gas production at Edson, Alberta, new light oil production at Edson and Ferrier, Alberta and the closing of a private company acquisition on November 21, 2006 with production in the Company's Ferrier area.

	Year ended December 31, 2006			Year ended December 31, 2005		
	Oil and ngl (bbl/d)	Natural gas (mcf/d)	Total (boe/d)	Oil and ngl (bbl/d)	Natural gas (mcf/d)	Total (boe/d)
Edson, AB	364	9,340	1,921	273	6,391	1,338
Ferrier, AB	304	3,187	835	160	2,132	515
Plain Lake, AB	-	3,954	659	-	3,557	593
Viking-Kinsella, AB	2	5,493	918	1	4,507	752
Wimborne/Drumheller, AB	54	2,558	480	60	1,967	388
Northeast British Columbia	167	3,306	718	266	1,240	473
Other	50	688	164	42	717	162
Total	941	28,526	5,695	802	20,511	4,221

Production increased throughout 2006 as a result of the Company's successful drilling program and the closing of the previously mentioned corporate acquisition. Natural gas production increased 39% over 2005 as a result of successful drilling programs at Edson, Ferrier, Viking-Kinsella and Wimborne/Drumheller in Alberta and a new natural gas discovery at Inga, British Columbia. In addition, the Company added natural gas and ngl production at Ferrier with the private company acquisition. Crew's oil and ngl production increased 17% over 2005 as a result of increased ngl production associated with the increased natural gas production from Edson and Ferrier and the discovery of new oil pools at Edson and Ferrier.

Revenue

	Three months ended Dec. 31, 2006	Three months ended Dec. 31, 2005	Year ended Dec. 31, 2006	Year ended Dec. 31, 2005
Revenue (thousands)				
Light oil and ngl	\$ 7,122	\$ 4,199	\$ 21,796	\$ 17,738
Natural gas	19,468	26,321	71,017	69,794
Total	\$ 26,590	\$ 30,520	\$ 92,813	\$ 87,532

Crew average prices

Light oil and ngl (\$/bbl)	\$ 58.84	\$ 64.29	\$ 63.47	\$ 60.65
Natural gas (\$/mcf)	\$ 7.18	\$ 11.86	\$ 6.82	\$ 9.32
Oil equivalent (\$/boe)	\$ 46.41	\$ 70.14	\$ 44.65	\$ 56.81

Benchmark pricing

Natural Gas – AECO C daily index (Cdn \$/ mcf)	\$ 7.00	\$11.47	\$ 6.60	\$ 8.84
Oil and ngl – Light Sweet @ Edmonton (Cdn \$/bbl)	\$ 64.52	\$ 71.10	\$ 72.81	\$ 68.67

Crew's 2006 fourth quarter revenue decreased 13% over the fourth quarter 2005 due to a 34% decrease in the Company's average prices. Crew's 39% drop in natural gas prices and 8% drop in oil and ngl prices was consistent with the decline in the Company's benchmark pricing for the quarter.

The Company's 2006 revenue increased 5% as a result of the Company's 35% increase in production offset by a 21% decline in the average commodity price received. Crew's 27% decline in the natural gas price and 5% increase in oil and ngl price was consistent with the Company's benchmark pricing for 2006.

Royalties

(\$,000's except per BOE)	Three months ended Dec. 31, 2006	Three months ended Dec. 31, 2005	Year ended Dec. 31, 2006	Year ended Dec. 31, 2005
Royalties	\$ 5,100	\$ 6,408	\$ 19,580	\$ 17,594
Per BOE	\$ 8.90	\$ 14.73	\$ 9.42	\$ 11.42
Percentage of revenue	19.2%	21.0%	21.1%	20.1%

Royalties as a percentage of revenue decreased in the quarter due to the addition of gas production from deep wells in Alberta that received royalty holidays, as well as gas cost allowance credits booked in the quarter. This decrease was partially offset by higher oil and ngl royalties paid on new production in Edson and Ferrier which attract a higher royalty rate.

Royalty rates as a percentage of revenue increased in 2006 due to a reduction in the amount of deep gas royalty holidays received in 2006 compared to 2005. In addition, oil and ngl royalties increased in 2006 due to new production at Edson and Ferrier and the expiry of benefits received from government programs reducing oil royalties on production from the Laprise, British Columbia area. Crew expects royalties as a percentage of revenue to remain consistent in 2007 with the amounts incurred in 2006.

Operating Costs

(\$,000's except per BOE)	Three months ended	Three months ended	Year ended	Year ended
	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2005
Operating costs	\$ 3,393	\$ 2,216	\$ 11,221	\$ 6,815
Per BOE	\$ 5.92	\$ 5.09	\$ 5.40	\$ 4.42

In the fourth quarter of 2006, the Company's operating costs per unit increased as a result of continued inflationary pressures and the addition of higher cost production from the private company acquisition completed in November 2006. In addition, increased emulsion handling costs associated with the new oil production from Edson and Ferrier negatively impacted operating costs in the fourth quarter.

Crew's increase in operating costs in 2006 was a result of inflationary pressures experienced throughout all of the Company's operations and increased production of higher cost natural gas production at Inga. Increased light oil production with higher per unit operating costs at Edson and Ferrier, also contributed to the increase in total and per unit operating costs in 2006. The Company expects operating costs to range between \$5.75 and \$6.00 in 2007.

Transportation

(\$,000's except per BOE)	Three months ended	Three months ended	Year ended	Year ended
	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2005
Transportation costs	\$ 481	\$ 413	\$ 1,979	\$ 1,808
Per BOE	\$ 0.84	\$ 0.95	\$ 0.95	\$ 1.17

The Company's fourth quarter 2006 decline in transportation costs per unit compared to the fourth quarter 2005 is the result of increased oil production from Edson and Ferrier which attracts a lower transportation cost per unit.

For the year ended December 31, 2006, the decrease in transportation costs is a result of increased oil production from the Edson and Ferrier areas combined with the decrease in Laprise production which has a substantially higher clean oil trucking cost. The Company expects transportation costs in 2007 to remain consistent with 2006.

Operating Netbacks

	Three months ended December 31, 2006			Three months ended December 31, 2005		
	Oil and ngl (\$/bbl)	Natural gas (\$/mcf)	Total (\$/boe)	Oil and ngl (\$/bbl)	Natural gas (\$/mcf)	Total (\$/boe)
Revenue	\$ 58.84	\$ 7.18	\$ 46.41	\$ 64.29	\$ 11.86	\$ 70.14
Royalties	(11.84)	(1.40)	(9.12)	(11.54)	(2.60)	(14.96)
Alberta royalty tax credit	-	-	0.22	-	-	0.23
Operating costs	(5.67)	(1.00)	(5.92)	(4.76)	(0.86)	(5.09)
Transportation costs	(1.16)	(0.13)	(0.84)	(1.50)	(0.14)	(0.95)
Operating netbacks	\$ 40.17	\$ 4.65	\$ 30.75	\$ 46.49	\$ 8.26	\$ 49.37

	Year ended December 31, 2006			Year ended December 31, 2005		
	Oil and ngl (\$/bbl)	Natural gas (\$/mcf)	Total (\$/boe)	Oil and ngl (\$/bbl)	Natural gas (\$/mcf)	Total (\$/boe)
Revenue	\$ 63.47	\$ 6.82	\$ 44.65	\$ 60.65	\$ 9.32	\$ 56.81
Royalties	(13.53)	(1.48)	(9.66)	(11.04)	(1.98)	(11.73)
Alberta royalty tax credit	-	-	0.24	-	-	0.31
Operating costs	(5.26)	(0.90)	(5.40)	(4.70)	(0.73)	(4.42)
Transportation costs	(1.32)	(0.15)	(0.95)	(2.62)	(0.14)	(1.17)
Operating netbacks	\$ 43.36	\$ 4.29	\$ 28.88	\$ 42.29	\$ 6.47	\$ 39.80

General and Administrative

(thousands)	Three months ended December 31, 2006	Three months ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2005
Gross costs	\$ 1,415	\$ 1,172	\$ 5,413	\$ 4,266
Operator's recoveries	(581)	(689)	(2,039)	(1,735)
Capitalized costs	(416)	(241)	(1,687)	(1,265)
General and administrative expenses	\$ 416	\$ 241	\$ 1,687	\$ 1,266
Per boe	\$ 0.73	\$ 0.55	\$ 0.81	\$ 0.82

Increased general and administrative costs before recoveries and capitalization was the result of increased staff levels in the fourth quarter of 2006 compared to 2005. The Company's net general and administrative costs in the fourth quarter of 2006 increased due to a decreased overhead recovery that resulted from a reduced fourth quarter drilling program year over year.

General and administrative expenses increased in 2006 as a result of the addition of new staff to handle the Company's increased activity. General and administrative costs per boe have decreased slightly in 2006 as a result of the Company's increased production.

Interest

Interest expense totalled \$0.5 million for the fourth quarter of 2006 compared with \$0.1 million for the fourth quarter of 2005. For the year ended December 31, 2006, interest expense totalled \$1.7 million or \$0.78 per boe compared to \$0.4 million or \$0.21 per boe in 2005. In 2006, higher interest rates combined with higher average debt levels used to finance the Company's exploration and development program have increased the Company's interest expense.

Stock-Based Compensation

(\$ thousands)	Three months ended December 31, 2006	Three months ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2005
Gross costs	1,047	1,086	4,462	1,996
Capitalized costs	(524)	(543)	(2,231)	(998)
Total stock-based compensation	523	\$543	\$2,231	\$998

The Company's stock-based compensation expense has increased in 2006 as a result of increased staff levels and the issuance of stock options in late 2005 and 2006.

Depletion, Depreciation and Accretion

The provision for depletion, depreciation and accretion was \$13.8 million or \$24.16 per boe for the three months ended December 31, 2006. This compares to a fourth quarter 2005 provision of \$6.4 million or \$14.78 per boe. The provision for the year ended December 31, 2006 was \$41.5 million or \$19.94 per boe compared to the provision for 2005 of \$19.7 million or \$12.78 per boe. Per unit depletion has increased in 2006 due to an increase in the average cost of adding proved reserves in 2006. This increase has resulted from inflationary pressures experienced throughout the industry, the addition of higher priced proven reserves acquired through the acquisition of a private company and the acquisition and construction of facilities in order to maintain low operating costs and to ensure processing capacity for the Company's natural gas production.

Taxes

The future income tax expense for 2006 was \$2.2 million (16.9% effective rate) compared to \$14.3 million (36.3% effective rate) in 2005. The Company's current year provision was impacted by the recovery of \$3.3 million relating to the federal and provincial income tax rate reduction enacted during the year. The Company did not have any Capital tax expense in 2006 as the Large Corporation tax was eliminated effective January 1, 2006. In 2005, the Company's Capital tax expense was \$156,000.

A summary of the Company's estimated income tax pools at December 31, 2006 is outlined below:

(\$ thousands)	Balance Dec. 31, 2006	Balance Dec. 31, 2005
Cumulative Canadian Exploration Expense	41,599	8,165
Cumulative Canadian Development Expense	49,469	25,132
Cumulative Canadian Oil and Gas Property Expense	47,713	28,853
Undepreciated Capital Cost	50,560	36,233
Share issue costs	3,493	2,398
Non-capital loss	5,493	630
	198,327	101,411

Funds from Operations and Net Income

(\$ thousands)	Three months ended December 31, 2006	Three months ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2005
Funds from operations	16,705	21,084	56,658	59,491
Per share - basic	0.43	0.69	1.62	2.11
- diluted	0.43	0.65	1.59	1.86
Net Income	1,796	8,746	10,776	24,641
Per share - basic	0.05	0.28	0.31	0.87
- diluted	0.05	0.27	0.30	0.77

The Company's decrease in funds from operations and net income was the result of lower commodity prices and increased costs experienced throughout the industry in 2006.

Capital Expenditures and Acquisitions

During the fourth quarter the Company drilled a total of 12 (11.0) wells resulting in 12 (11.0 net) natural gas wells. In 2006, Crew drilled a total of 54 (47.2 net) wells resulting in 47 (40.7 net) gas wells, 5 (5.0 net) oil wells, and 2 (1.5 net) D&A wells representing a success rate of 96% (97% net). In addition, the Company also continued to follow its strategy of, where possible, owning and controlling its processing and gathering facilities. As a result, in 2006 the Company spent 24% of its total capital expenditures on acquiring and constructing gas processing and compression equipment at Edson, Ferrier and Inga as well as adding extensive gas gathering systems at Edson, Ferrier and Plain Lake.

In November, the Company acquired all the issued and outstanding shares of a private oil and gas company in exchange for Common Shares of Crew. The operations acquired were focused in Crew's Ferrier, Alberta operating area and included approximately 1,000 boe per day of production at closing. Details of the purchase price are included in the Business Acquisition, note 2 to the Company's December 31, 2006 consolidated financial statements.

Total exploration and development expenditures for 2006 were \$123.9 million compared to \$101.7 million for the same period in 2005. The expenditures are detailed below:

(thousands)	Three months ended December 31, 2006	Year ended December 31, 2006	Year ended December 31, 2005
Land	\$ 1,247	\$ 8,024	\$ 13,849
Seismic	47	3,567	5,091
Drilling and completions	20,771	80,922	56,791
Facilities, equipment and pipelines	7,756	29,347	24,412
Other	509	1,999	1,555
Total exploration and development	30,330	123,859	101,698
Property acquisitions	267	16,196	-
Corporate acquisition	71,151	71,151	-
Total	\$ 101,748	\$211,206	\$101,698

The Company's Board of Directors has approved a \$134 million exploration and development budget for 2007.

Liquidity and Capital Resources

Capital Funding

Funding for the Company's 2006 capital expenditure program has come from a combination of bank debt, equity financing and cash flow from on-going operations.

The Company currently has a \$120 million demand operating facility with a Canadian Chartered bank. This facility is reviewed annually and expected to be converted to a syndicated term facility in 2007. At December 31, 2006 Crew had drawings of \$41.2 million on its bank facility which leaves the Company with significant unused credit capacity available to fund the Company's working capital deficit and future capital expenditures.

The Company will continue to fund its on-going operations from a combination of cash flow, debt, and equity financings as needed. As the majority of our on-going capital expenditure program is directed to the further growth of reserves and production volumes, Crew is readily able to adjust its budgeted capital expenditures should the need arise. Currently, Crew has considerable financial strength through its cash flows and credit capacity to fund its budgeted capital expenditure program for 2007.

Working Capital

The capital intensive nature of Crew's activities generally results in the Company carrying a working capital deficit. However, the Company maintains sufficient unused bank credit lines to satisfy such working capital deficiencies. At December 31, 2006, the Company's working capital deficiency totaled \$17.7 million which, when combined with the drawings on its bank line, represented 49% of its currently available bank facility.

Commitments

Throughout the course of its on-going business the Company enters into various contractual obligations such as purchase of services, royalty agreements, operating agreements, processing agreements, right of way agreements and lease obligations for office space and automotive equipment. 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.

Payments due (\$ thousands)	Total	2007	2008
Operating Leases	600	600	-
Firm transportation agreements	617	475	142
Exploration and development	7,600	7,600	-
Total	8,817	8,675	142

Share Capital

In August 2006, the Company issued 2,426,300 Common Shares for gross proceeds of \$40.0 million. Of the shares issued, 759,500 shares were issued on a flow-through basis under which the Company has committed to renounce \$15.0 million of certain Canadian tax deductions to the purchasers. As at December 31, 2006, the Company had spent \$7.4 million of its commitment and intends to spend the remainder in 2007.

In November 2006, the Company issued 5,318,998 Common Shares in exchange for 100% of the shares of Gladius Energy Inc., a private oil and gas company. This acquisition has been accounted for using the purchase method and details are included in note 2 to the Company's December 31, 2006 consolidated financial statements.

As at March 7, 2007, Crew had 41,445,658 Common Shares and 402,000 Class C performance shares outstanding along with 1,991,500 options to acquire Common Shares of the Company.

Additional Disclosures

Quarterly Analysis

The following table summarizes the Crew's key quarterly financial results in 2006 and 2005:

(\$ thousands, except per share amounts)	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005
Petroleum and natural gas sales	26,590	22,267	19,164	24,792	30,520	22,304	18,673	16,035
Funds from operations	16,705	14,245	10,645	15,063	21,084	15,423	12,521	10,463
Per share – basic	0.43	0.41	0.32	0.45	0.69	0.56	0.47	0.39
– diluted	0.43	0.40	0.31	0.44	0.65	0.48	0.40	0.33
Net income	1,796	1,633	3,753	3,594	8,746	6,328	5,279	4,288
Per share – basic	0.05	0.05	0.11	0.11	0.28	0.23	0.20	0.16
– diluted	0.05	0.05	0.11	0.11	0.27	0.20	0.17	0.14
Total daily production (boe/d)	6,227	5,768	5,049	5,731	4,730	4,093	4,217	3,833

Prior to 2006, Crew's petroleum and natural gas sales, funds from operations and net income all grew quarter over quarter as a result of increasing production and increasing commodity pricing. In 2006, despite increased production, these performance measures have all declined as a result of the lower natural gas prices combined with the escalated cost of the Company's operations.

Significant factors and trends that have impacted the Company's results during the above periods include:

- Revenue is directly impacted by the Company's ability to replace existing declining production and add incremental production through its on-going capital expenditure program.
- Production is impacted in the second quarter of every year by the limited ability to transport oil and ngl production to market during spring break-up. The Company's Laprise production is shut-in for eight to ten weeks during this period.
- Revenue and royalties are significantly impacted by underlying commodity prices. To date the Company has not used derivative contracts or forward sales contracts to reduce the exposure to commodity price fluctuations.
- The Company's operating costs and capital expenditures have been subject to inflationary pressures brought on by increasing demand for services and supplies within the Canadian oil and gas industry.
- In the fourth quarter of 2006 the company acquired a private oil and gas company with production of approximately 1,000 boe per day at closing.

Dated as of March 7, 2007

Cautionary Statement

This press release contains forward-looking statements relating to Management's approach to operations, expectations relating to the number of wells, amount and timing of capital projects, company production, commodity prices, foreign exchange rates, royalties, operating costs and cash flow. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by Crew at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: general economic, market and business conditions; industry capacity; competitive action by other companies; fluctuations in oil and gas prices; the ability to produce and transport crude oil and natural gas to markets; the result of exploration and development drilling and related activities; fluctuation in foreign currency exchange rates; the imprecision of reserve estimates; the ability of suppliers to meet commitments; actions by governmental authorities including increases in taxes; decisions or approvals of administrative tribunals; change in environmental and other regulations; risks associated with oil and gas operations; the weather in the Company's areas of operations; and other factors, many of which are beyond the control of the Company. There is no representation by Crew that actual results achieved during the forecast period will be the same in whole or in part as that forecast.

Crew is a junior oil and gas exploration and production company whose shares are traded on The Toronto Stock Exchange under the trading symbol "CR".

Financial statements for the three month periods and years ended December 31, 2006 and 2005 are attached.

FOR DETAILED INFORMATION, PLEASE CONTACT:

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CREW ENERGY INC.
 Consolidated Balance Sheet
 (unaudited, thousands)

	December 31, 2006	December 31, 2005
Assets		
Current Assets:		
Cash and cash equivalent	\$ -	\$ 16,302
Accounts receivable	22,063	18,874
	22,063	35,176
Property, plant and equipment (note 3)	338,660	162,428
Goodwill (note 2)	14,558	-
	\$ 375,281	\$ 197,604
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 39,777	\$ 41,751
Bank loan	41,157	-
	80,934	
Asset retirement obligations (note 5)	10,485	7,182
Future income taxes (note 7)	39,552	19,177
Shareholders' Equity		
Share capital (note 6)	192,814	92,653
Contributed surplus (note 6)	5,566	1,687
Retained Earnings	45,930	35,154
	244,310	129,494
Commitments (note 9)		
	\$ 375,281	\$ 197,604

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Consolidated Statement of Operations and Retained Earnings
 (unaudited, thousands, except per share amounts)

	Three months ended December 31, 2006		Three months ended December 31, 2005		Year ended December 31, 2006		Year ended December 31, 2005	
Revenue								
Petroleum and natural gas sales	\$	26,590	\$	30,520	\$	92,813	\$	87,532
Royalties		(5,100)		(6,408)		(19,580)		(17,594)
		<u>21,490</u>		<u>24,112</u>		<u>73,233</u>		<u>69,938</u>
Expenses								
Operating		3,393		2,216		11,221		6,815
Transportation		481		413		1,979		1,808
General and administrative		417		242		1,687		1,266
Interest		494		68		1,688		402
Stock-based compensation		524		543		2,231		998
Depletion, depreciation and accretion		13,840		6,432		41,458		19,688
		<u>19,149</u>		<u>9,914</u>		<u>60,264</u>		<u>30,977</u>
Income before income taxes		<u>2,341</u>		<u>14,198</u>		<u>12,969</u>		<u>38,961</u>
Income taxes (note 7)								
Current		-		89		-		156
Future		545		5,363		2,193		14,164
		<u>545</u>		<u>5,452</u>		<u>2,193</u>		<u>14,320</u>
Net income		<u>1,796</u>		<u>8,746</u>		<u>10,776</u>		<u>24,641</u>
Retained earnings, beginning of period		44,134		26,408		35,154		10,513
Retained earnings, end of period	\$	<u>45,930</u>	\$	<u>35,154</u>	\$	<u>45,930</u>	\$	<u>35,154</u>
Net Income per share (note 6(e))								
Basic	\$	0.05	\$	0.28	\$	0.31	\$	0.87
Diluted	\$	0.05	\$	0.27	\$	0.30	\$	0.77

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.
 Consolidated Statement of Cash Flows
 (unaudited, thousands)

	Three months ended December 31, 2006	Three months ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2005
Cash provided by (used in):				
Operating activities:				
Net income	\$ 1,796	\$ 8,746	\$ 10,776	\$ 24,641
Items not involving cash:				
Depletion, depreciation & accretion	13,840	6,432	41,458	19,688
Stock-based compensation	524	543	2,231	998
Future income taxes	545	5,363	2,193	14,164
Asset retirement expenditures	(203)	(99)	(448)	(99)
Change in non-cash working capital	20	261	1,245	(2,342)
	16,522	21,246	57,455	57,050
Financing activities:				
Decrease in bank loan	13,876	(7,441)	36,686	-
Issue of common shares	332	35,375	40,841	41,594
Share issue costs	(2)	(1,940)	(2,202)	(1,940)
Re-purchase of common shares	-	-	-	(41)
	14,206	25,994	75,325	39,613
Investing activities:				
Exploration and development	(30,330)	(41,422)	(123,859)	(101,698)
Property acquisitions	(267)	-	(16,196)	-
Business acquisition (note 2)	(346)	-	(346)	-
Change in non-cash working capital	215	10,484	(8,681)	14,268
	(30,728)	(30,938)	(149,082)	(87,430)
Change in cash and cash equivalents	-	16,302	(16,302)	9,233
Cash and cash equivalents, beginning of Period	-	-	16,302	7,069
Cash and cash equivalents, end of period	\$ -	\$ 16,302	\$ -	\$ 16,302

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Notes to Consolidated Financial Statements
For the three months and years ended December 31, 2006 and 2005
(Unaudited, Tabular amounts in thousands)

1. Significant accounting policies:

The consolidated financial statements of Crew Energy Inc. ("Company") have been prepared by management in accordance with Canadian generally accepted accounting principles. Since the determination of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of these financial statements requires the use of estimates and assumptions, which have been made with careful judgement. Specifically, the amounts recorded for depletion and depreciation of property, plant and equipment and the provision for asset retirement obligations and abandonment costs are based on estimates. The ceiling test is based on estimates of reserves, production rates, petroleum and natural gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of such changes in such estimates in future periods could be significant. In the opinion of management, these financial statements have been properly prepared in accordance with Canadian generally accepted accounting principles within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Crew Resources Inc., Gladius Energy Inc. ("Gladius") and a partnership, Crew Energy Partnership. On January 17, 2007, Gladius was amalgamated into Crew Energy Inc.

(b) Cash and cash equivalents:

Cash and cash equivalents include monies on deposit and highly liquid short-term investments accounted for at cost and having a maturity date of not more than 90 days.

(c) Petroleum and natural gas properties:

The Company follows the full cost method of accounting for petroleum and natural gas properties, whereby all costs of exploring for and developing petroleum and natural gas properties and related reserves are capitalized. Capitalized costs include land acquisition costs, geological and geophysical expenses, cost of drilling both productive and non-productive wells, production facilities, the fair value of asset retirement obligations and related overhead expenses.

Capitalized costs, excluding costs relating to unproved properties, are depleted using the unit-of-production method based on estimated proved reserves of petroleum and natural gas before royalties determined using forecast product prices and as determined by independent petroleum engineers. For purposes of the depletion calculation, natural gas reserves and production are converted to equivalent volumes of crude oil based on relative energy content of six thousand cubic feet of gas to one barrel of oil. Proceeds from the sale of petroleum and natural gas properties are applied against capitalized costs, with no gain or loss recognized unless such a sale would alter depletion by more than 20%.

The cost of acquiring and evaluating unproved properties are initially excluded from depletion calculations. These unevaluated properties are assessed periodically for impairment. When proved reserves are assigned or the property is considered impaired the costs of the property or the amount of impairment is added to the costs subject to depletion.

Petroleum and natural gas assets are evaluated in each reporting period (the "ceiling test") to determine that the carrying amount in a cost centre is recoverable and does not exceed the fair value of the properties in the cost centre. The carrying amounts are assessed to be recoverable if the sum of the undiscounted cash flows expected from the production of proved reserves, the lower of cost and market of unproved properties and the cost of major development projects exceeds the carrying amount of the cost centre. When the carrying amount is not assessed to be recoverable, an impairment loss is recognized to the extent that the carrying amount of the cost centre exceeds the sum of the discounted cash flows expected from the production of proved and probable reserves, the lower of cost and market of unproved

1. Significant accounting policies (continued):

properties and the cost of major development projects of the cost centre. The cash flows are estimated using forecast product prices and costs and are discounted using a risk-free interest rate.

(d) Goodwill

Goodwill is the residual amount that results when the purchase price of a business exceeds the fair value of the net identifiable assets and liabilities acquired. Goodwill is stated at cost and is not amortized. The goodwill balance is assessed for impairment each year end or more frequently if events or changes in circumstances indicate that the asset may be impaired. The test for impairment is conducted by comparing the book value to the fair value of the reporting entity. Impairment is charged to income in the period it occurs.

(e) Interest in joint operations:

A portion of the Company's petroleum and natural gas exploration and development activity is conducted jointly with others and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

(f) Asset retirement obligations:

The fair value of the liability for the Company's asset retirement obligation is recorded in the period in which it is incurred, discounted to its present value using Crew's credit adjusted risk-free interest rate and the corresponding amount is recognized by increasing the carrying amount of the related long-lived asset. The liability is accreted each period, and the capitalized cost is depreciated over the useful life of the related asset. Revisions to the estimated timing of cash flows or to the original estimated undiscounted cost would result in an increase or decrease to the asset retirement obligation. Actual costs incurred upon settlement of the asset retirement obligation are charged against the asset retirement obligation.

(g) Revenue recognition:

Revenue from the sale of petroleum and natural gas are recorded when title passes to a third party.

(h) Financial instruments:

From time to time, Crew may use derivative contracts or other financial instruments to mitigate its exposure to fluctuations in petroleum and natural gas prices. Financial instruments are recorded on a mark-to-market basis with the resulting gains or losses taken into income. Premiums paid or received upon entering a financial instrument are deferred and amortized to earnings over the term of the contract. Financial instruments are not used for speculative purposes.

(i) Flow-through shares:

Flow-through shares are issued at a fixed price and the proceeds are used to fund qualifying exploration expenditures within a defined period. The expenditures funded by flow-through arrangements are renounced to investors in accordance with income tax legislation. Share capital is reduced and future income tax liability is increased by the total estimated future income tax costs of the renounced income tax deductions in the period of renouncement.

(j) Per share amounts:

Basic per share amounts are calculated using the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated based on the treasury-stock method, which assumes that any proceeds obtained on exercise of options, warrants and performance shares would be used to purchase common shares at the average market price. The weighted average number of shares outstanding is then adjusted by the net change.

1. Significant accounting policies (continued):

(k) Stock-based compensation plans:

The Company accounts for its stock-based compensation programs including stock options, warrants and performance shares, using the fair value method. Under this method, compensation expense related to these programs is recorded in the consolidated statement of operations over the vesting period with a corresponding increase in contributed surplus. Consideration paid on exercise of stock options is credited to share capital.

(l) Income taxes:

The Company uses the asset and liability method of accounting for future income taxes. The future income tax asset or liability is calculated assuming the financial assets and liabilities will be settled at their carrying amount. This amount is compared to the income tax assets and the difference is multiplied by the substantively enacted income tax rate when the temporary differences are expected to reverse.

2. Business acquisition:

On November 21, 2006, the Company acquired all of the issued and outstanding common shares of Gladius Energy Inc., a private oil and gas company. Under the terms of the agreement, the purchase price paid by Crew was 0.47875 of a Crew share for each Gladius share which resulted in the issuance of 5,318,998 shares of Crew to the former Gladius shareholders. The operating results were included in the accounts of the Company from November 21, 2006.

The Gladius acquisition has been accounted for using the purchase method of accounting as follows:

Consideration	
Common shares issued	\$ 63,618
Transaction costs	346
	\$ 63,964
Net assets received at fair value	
Accounts receivable	\$ 1,817
Property and equipment	71,151
Goodwill	14,558
Accounts payable	(4,090)
Bank loan	(4,471)
Asset retirement obligations	(443)
Future income taxes	(14,558)
	\$ 63,964

The above amounts are estimates made by management based on currently available information. Amendments may be made to the purchase equation as the cost estimates and balances are finalized.

3. Property, plant and equipment:

December 31, 2006	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	\$ 409,608	\$ 70,948	\$ 338,660

December 31, 2005	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	\$ 192,573	\$ 30,145	\$ 162,428

The cost of unproved properties at December 31, 2006 of \$26,665,000 (2005 - \$21,570,000) was excluded from the depletion calculation. Estimated future development costs associated with the development of the Company's proved reserves of \$25,266,000 (2005 - \$12,054,000) have been included in the depletion calculation and estimated salvage values of \$15,840,000 (2005 - \$11,811,000) have been excluded from the depletion calculation.

The following corporate expenses related to exploration and development activities were capitalized.

	Year ended December 31, 2006	Year ended December 31, 2005
General and administrative expense	\$ 1,688	\$ 1,265
Stock-based compensation expense, including future income taxes	3,176	998
	\$ 4,864	\$ 2,263

Crew performed a ceiling test as at December 31, 2006. Based on the calculation, the carrying values are less than the sum of the undiscounted cash flows of the proved reserves based on the following benchmark and company prices.

Years	WTI Oil (\$US/Bbl)	F/X Rate (\$Cdn/\$US)	Edmonton Oil (\$/bbl)	Company Liquids (\$/bbl)	AECO Gas (\$/mmbtu)	Company Gas (\$/mcf)
2007	\$62.00	0.87	\$70.25	\$54.58	\$7.20	\$7.27
2008	\$60.00	0.87	\$68.00	\$50.56	\$7.45	\$7.56
2009	\$58.00	0.87	\$65.75	\$48.20	\$7.75	\$7.89
2010	\$57.00	0.87	\$64.50	\$46.68	\$7.80	\$7.94
2011	\$57.00	0.87	\$64.50	\$46.32	\$7.85	\$7.99
2012	\$57.50	0.87	\$65.00	\$46.38	\$8.15	\$8.31
2013	\$58.50	0.87	\$66.25	\$47.03	\$8.30	\$8.49
2014	\$59.75	0.87	\$67.75	\$47.96	\$8.50	\$8.71
2015	\$61.00	0.87	\$69.00	\$48.77	\$8.70	\$8.91
2016	\$62.25	0.87	\$70.50	\$49.76	\$8.90	\$9.05
2017	\$63.50	0.87	\$71.75	\$50.45	\$9.10	\$9.20

Annual escalation thereafter +2.0%/yr.

4. Bank facility:

Crew has a \$120 million demand operating facility with a Canadian chartered bank, which is available by way of prime rate based loans or bankers acceptances. Advances under the facility bear interest at the bank's prime lending rate or bankers' acceptance rates plus scheduled margins. The facility revolves at the Company's discretion, is repayable on demand of the bank and is secured by a first floating charge debenture over all of Crew's oil and gas assets.

5. Asset retirement obligations:

Total future asset retirement obligations were determined by management and were based on Crew's net ownership interest, the estimated future costs to reclaim and abandon the wells and facilities and the estimated timing of when the costs will be incurred. Crew estimated the net present value of its total asset retirement obligations as at December 31, 2006 to be \$10,485,000 (2005 - \$7,182,000) based on a total future liability of \$23,503,000 (2005 - \$13,414,000). These payments are expected to be made over the next 49 years. An 8% (2005 – 8%) credit adjusted risk free discount rate and 2% (2005 – 2%) inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

	Year ended December 31, 2006	Year ended December 31, 2005
Carrying amount, beginning of year	\$ 7,182	\$ 4,984
Liabilities incurred	1,690	1,581
Liabilities acquired	679	-
Accretion expense	655	474
Liabilities settled	(448)	(99)
Change in estimate	727	242
Carrying amount, end of year	\$10,485	\$7,182

6. Share capital:

(a) Authorized:

Unlimited number of Common Shares
 1,881,000 Class C non-voting performance shares ("performance shares")

(b) Common Shares issued:

	Number of shares	Amount
Common Shares, December 31, 2004	26,781	\$ 54,363
Public offering issued for cash	1,374	25,005
Flow-through shares issued for cash	417	10,001
Exercise of warrants	3,635	5,998
Exercise of Class C performance shares	981	11
Exercise of stock options	98	590
Buy-back of Common Shares	(4)	(8)
Stock-based compensation		963
Share issue costs, net of income taxes of \$661		(1,279)
Flow through shares income tax adjustment		(2,999)
Common Shares, December 31, 2005	33,282	92,645
Public offering issued for cash	1,667	25,002
Flow-through shares issued for cash	759	15,000
Issued for corporate acquisition	5,319	63,618
Exercise of Class C performance shares	316	4
Exercise of stock options	97	839
Stock-based compensation		583
Share issue costs, net of income taxes of \$686		(1,516)
Flow through shares income tax adjustment		(3,365)
Common Shares, December 31, 2006	41,440	\$ 192,810

On August 17, 2006, the Company closed a public offering in which 2,426,300 shares were issued for gross proceeds of \$40,002,125. Of the shares issued, 759,500 shares were issued on a flow-through basis in which the Company has committed to renounce to the purchasers certain Canadian income tax deductions totalling \$15,000,125. At December 31, 2006, the Company had incurred \$7,400,000 of qualifying expenditures under this flow-through offering.

On December 20, 2005, the Company closed a public offering in which 1,790,600 shares were issued for gross proceeds of \$35,006,000. Of the shares issued, 416,700 shares were issued on a flow-through basis in which the Company has committed to renounce to the purchasers certain Canadian income tax deductions totalling \$10,000,800. At December 31, 2006, the Company had incurred and renounced all expenditures required under this flow-through offering.

(c) Contributed Surplus:

	Amount
Contributed surplus, December 31, 2004	\$ 687
Stock-based compensation	1,996
Conversion of Class C performance shares and stock options	(963)
Buy-back of Common Shares	(33)
Contributed surplus, December 31, 2005	1,687
Stock-based compensation	4,462
Conversion of Class C performance shares and stock options	(583)
Contributed surplus, December 31, 2006	\$ 5,566

6. Share capital (continued):

(d) Stock-based compensation:

The Company measures compensation costs associated with stock-based compensation using the fair market value method and the cost is recognized over the vesting period of the underlying security. The fair value of each performance share and stock option is determined at each or grant date using the Black-Scholes model with the following weighted average assumptions: risk free interest rate 4.27% (2005 – 3.22%), expected life 4 years (2005 – 4 years), volatility 45% (2005 – 45%), and an expected dividend of nil (2005 – nil).

During 2006 the Company recorded \$4,462,000, (2005 - \$1,996,000) of stock-based compensation expense related to the performance shares and stock options, of which \$2,231,000 (2005 - \$998,000) was capitalized in accordance with the Company's full cost accounting policy. AS stock-based compensation is non-deductible for income tax purposes, a future income tax liability of \$945,000 associated with the current year's capitalized stock-based compensation has been recorded.

(i) Performance shares

On September 1, 2003 the Company issued 1,881,000 performance shares 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 after which, if the shares have not been converted, they are redeemed by the Company at \$0.01 per share. On conversion, each performance share converts at the rate determined by subtracting \$1.65 from the current market price of the Company's Common Shares and dividing the result by the current market price of the Company's Common Shares. The fair value of the performance shares at the date of issue, as calculated by the Black-Scholes method, was \$0.67 per share.

	Number of shares	Amount
Class C, performance shares, December 31, 2004	1,869	\$ 19
Converted to Common Shares	(1,082)	(11)
Class C, performance shares, December 31, 2005	787	8
Converted to Common Shares	(360)	(4)
Reacquired and cancelled	(25)	-
Class C, performance shares, December 31, 2006	402	\$ 4

(ii) Stock options

The Company has a floating stock option plan in which the Company may grant options to its employees, directors and consultants for up to 10% of its outstanding Common Shares. Under this plan, the exercise price of each option equals the market price of the Company's Common Shares on the date of grant. All granted options vest over a three-year period and have a four-year term. Stock options are granted periodically throughout the year. The fair value of the stock options granted during the year as calculated by the Black-Scholes method was \$5.01 (2005 - \$6.74) per option.

	Number of options	Weighted average exercise price
Balance, December 31, 2004	364	\$ 6.51
Granted	1,672	16.63
Exercised	(98)	6.02
Cancelled	(90)	7.25
Balance December 31, 2005	1,848	15.65
Granted	568	12.40
Exercised	(97)	8.70
Cancelled	(300)	16.33
Balance December 31, 2006	2,019	\$ 14.97

6. Share capital (continued):

The following table summarizes information about the stock options outstanding at December 31, 2006:

Range of exercise prices	Outstanding at December 31, 2006	Weighted average remaining life (years)	Weighted average exercise price	Exercisable at December 31, 2006	Weighted average exercise price
\$3.50 to \$6.50	69	1.43	\$5.18	37	\$4.80
\$6.51 to \$9.50	87	1.91	\$7.76	15	\$7.98
\$9.51 to \$12.50	442	3.58	\$12.00	-	-
\$12.51 to \$15.50	332	2.94	\$13.92	62	\$14.13
\$15.51 to \$18.75	1,089	2.69	\$17.69	363	\$17.69
	2,019	2.85	\$14.97	477	\$15.93

(e) 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, 2006 was 34,896,000 (December 31, 2005 – 28,196,000).

In computing diluted earnings per share for the year ended December 31, 2006, 690,000 (December 31, 2005 – 3,760,000) shares were added to the weighted average Common Shares outstanding to account for the dilution of the performance shares and stock options. There were 1,140,500 stock options that were not included in the diluted earnings per share calculation because they were anti-dilutive.

7. Income taxes:

(a) Future income tax expense:

The provision for 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 earnings before income taxes. This difference results from the following items:

	2006	2005
Earnings before income taxes	\$ 12,969	\$ 38,961
Combined federal and provincial income tax rate	34.60%	37.65%
Computed "expected" income tax expense	\$ 4,487	\$ 14,669
Increase (decrease) in income taxes resulting from:		
Non-deductible crown charges	165	1,916
Resource allowance	84	(2,388)
Non-deductible stock-based compensation	772	752
Benefits relating to change in income tax rates	(3,345)	(857)
Other	30	72
Future income taxes	\$ 2,193	\$ 14,164

7. Income taxes (continued):

(b) Future income tax liability:

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

	2006	2005
Future income tax:		
Property, plant and equipment	\$ 45,600	\$ 22,774
Asset retirement obligations	(3,095)	(2,434)
Share issue costs	(1,077)	(821)
Non-capital loss	(1,773)	(225)
Other	(103)	(117)
Future income tax liability	\$ 39,552	\$ 19,177

The non-capital loss expires in 2012.

8. Supplemental cash flow information:

	2006	2005
Changes in non-cash working capital:		
Accounts receivable	\$ (1,372)	\$ (7,528)
Accounts payable and accrued liabilities	(6,064)	19,454
	\$ (7,436)	\$ 11,926
Operating activities	\$ 1,245	\$ (2,342)
Investing activities	(8,681)	14,268
	\$ (7,436)	\$ 11,926

The Company made the following cash outlays in respect of interest expense and current income taxes:

	2006	2005
Interest	\$ 1,629	\$ 238
Income taxes	\$ 151	\$ 34

9. Commitments:

The Company has the following fixed term commitments related to its on-going business:

	Total	2007	2008
Operating Leases	\$ 600	\$ 600	\$ -
Firm transportation agreements	617	475	142
Exploration and development	7,600	7,600	-
Total	\$ 8,817	\$ 8,675	\$ 142

The exploration and development commitment relates to the Company's obligation under its 2006 flow-through share issue. (see note 6(b))

10. Financial instruments:

(a) Commodity price risk management:

At December 31, 2006, the Company had no fixed price contracts or financial instruments associated with future production.

(b) Credit Risk

Crew's accounts receivable are with customers and joint venture partners in the petroleum and natural gas business and are subject to normal credit risks. Concentration of credit risk is mitigated by marketing production to several purchasers under normal industry sale and payment terms. Crew routinely assesses the financial strength of its customers.

(c) Fair value of financial instruments

The fair values of the financial instruments on the Company's balance sheet approximate their carrying values due to their short term to maturity.