Interim Report

Q1 2020

First Quarter ending March 31, 2020

crew energy inc.

Crew Energy Inc. (TSX: CR) ("Crew of the "Company) is pleased to announce our operating and financial results for the three-month period ended March 31, 2020.

Q1 2020 HIGHLIGHTS

- **Production of 23,894 boe per day:** Volumes were 6% higher than Q4/19 and 3% higher than Q1/19, due to well performance that exceeded expectations. Production volumes consisted of 69% natural gas, 14% condensate[1], 10% ngl and 7% oil.
- **Strong Liquidity:** Quarter end net debt[2] of $337.7 million was 3% lower than Q4/19, which includes $300 million of senior unsecured term debt due in 2024 with no financial maintenance covenants and 13% drawn on a $235 million credit facility.
- **$35 Million Cash Inflow:** The first closing of a strategic debt and cost reduction transaction resulted in $35 million of proceeds that were applied to reduce credit facility borrowings and enables Crew to capture efficiencies and further strengthen the balance sheet. See our January 17 and February 27, 2020 press releases for complete transaction details.
  - After the second closing of this transaction, anticipated to occur in Q4/20, net debt will ultimately be reduced by $58.3 million with Crew realizing $2.1 million of annual cost savings going forward.
  - Commencing in 2021, Crew can exercise an option to dispose of an additional interest in our Greater Septimus facilities which would result in incremental cash consideration of up to $37.5 million.
- **Cost Reduction and Efficiency Optimizations:** Year-over-year, net operating and general and administrative ("G&A") costs decreased 8% and 24% per boe, respectively, reflecting successful streamlining and optimization of field operations, as well as reduced compensation costs and lower head office lease costs. As a result of these streamlining efforts, Crew is forecasting a reduction in G&A expenses of approximately 25% in 2020 compared to 2019.
- **Adjusted Funds Flow ("AFF")[2] Reflects Commodity Prices:** AFF of $12.4 million ($0.08 per fully diluted share) was 27% and 53% lower than Q4/19 and Q1/19, respectively, reflecting the impact of weak commodity prices.
- **Condensate Contribution:** Condensate[1] production averaged 3,340 bbls per day, 36% and 28% higher than Q4/19 and Q1/19, respectively, reflecting our focus on Crew's ultra-condensate rich ("UCR")[3] area at Septimus and West Septimus ("Greater Septimus").
- **Capital Expenditures Focused on Reducing Costs and Driving Sustainability:** Exploration and development expenditures totaled $18.0 million, with $5.7 million directed to cost reduction and sustainability initiatives that are expected to reduce operating costs and greenhouse gas ("GHG") and CO_2 emissions by 3,350 tonnes per year. Crew's commitment to our environmental, social and governance ("ESG") pillars has remained paramount, with social importance coming into sharper focus given the impact of COVID-19.

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(1) Condensate is defined as a mixture of pentanes and heavier hydrocarbons recovered as a liquid at the inlet of a gas processing plant before the gas is processed and pentanes and heavier hydrocarbons obtained from the processing of raw natural gas.

(2) Non-IFRS Measure. "Net debt", "Adjusted funds flow" and "net capital expenditures" do not have standardized measures prescribed by International Financial Reporting Standards ("IFRS"), and therefore may not be comparable with the calculations of similar measures for other companies. See "Information Regarding Disclosure on Oil and Gas Reserves, Operational Information and Non-IFRS Measures" within this report for details including reasons for use.

(3) Ultra-Condensate Rich" or "UCR" is not defined in NI 51-101 and means a fairway of land at Crew's Greater Septimus area of operations where productive zones have high condensate rates (initial 30-day condensate / gas ratio rates of greater than 75 bbls per mmcf).

FINANCIAL & OPERATING HIGHLIGHTS:

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Mar. 31, 2020**	Three months ended Mar. 31, 2019
Petroleum and natural gas sales	**38,094**	55,451
Adjusted Funds Flow(1)	**12,400**	25,771
Per share - basic	**0.08**	0.17
- diluted	**0.08**	0.17
Net (loss) income	**(191,909)**	6,186
Per share - basic	**(1.27)**	0.04
- diluted	**(1.27)**	0.04
Exploration and Development expenditures	**18,029**	55,241
Property acquisitions (net of dispositions)	**(34,940)**	(15,924)
Net capital expenditures	**(16,911)**	39,317

Capital Structure ($ thousands)	**As at Mar. 31, 2020**	As at Dec. 31, 2019
Working capital deficiency (surplus)(2)	**10,541**	(149)
Bank loan	**31,049**	52,136
	41,590	51,987
Senior Unsecured Notes	**296,113**	295,868
Total Net Debt(3)	**337,703**	347,855
Common Shares Outstanding (thousands)	**151,692**	151,534

Notes:

(1) Non-IFRS Measure. AFF is calculated as cash provided by operating activities, adding the change in non-cash working capital, decommissioning obligation expenditures and accretion of deferred financing costs on the senior unsecured notes. AFF does not have a standardized measure prescribed by International Financial Reporting Standards, ("IFRS") and therefore may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within Crew's MD&A for details including a reconciliation of AFF to its most closely related IFRS measure.

(2) Non-IFRS Measure. Working capital deficiency and surplus includes accounts receivable and net assets held for sale; less accounts payable and accrued liabilities. See "Non-IFRS Measures" contained within Crew's MD&A

(3) Non-IFRS Measure. Net debt is defined as outstanding long-term debt and net working capital. See "Non-IFRS Measures" within the Company's MD&A.

Operations	**Three months ended Mar. 31, 2020**	Three months ended Mar. 31, 2019
Daily production		
Light crude oil (bbl/d)	**215**	226
Heavy crude oil (bbl/d)	**1,527**	1,608
Natural gas liquids ("ngl")(1) (bbl/d)	**2,288**	2,014
Condensate (bbl/d)	**3,340**	2,617
Natural gas (mcf/d)	**99,144**	100,542
Total (boe/d @ 6:1)	**23,894**	23,222
Average prices(2)		
Light crude oil ($/bbl)	**44.81**	61.04
Heavy crude oil ($/bbl)	**20.06**	44.25
Natural gas liquids ($/bbl)	**4.86**	10.89
Condensate ($/bbl)	**54.83**	62.17
Natural gas ($/mcf)	**1.86**	3.45
Oil equivalent ($/boe)	**17.52**	26.53

Notes:

(1) Throughout this report, natural gas liquids ("ngl") comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately.

(2) Average prices are before deduction of transportation costs and do not include realized gains and losses on financial instruments.

	Three months ended Mar. 31, 2020	Three months ended Mar. 31, 2019
Netback ($/boe)		
Petroleum and natural gas sales	**17.52**	26.53
Royalties	**(1.00)**	(1.85)
Realized commodity hedging gain/(loss)	**1.75**	(0.88)
Marketing income(1)	**0.11**	1.40
Net operating costs(2)	**(5.74)**	(6.25)
Transportation costs	**(3.21)**	(2.26)
Operating netback(3)	**9.43**	16.69
G&A	**(1.15)**	(1.51)
Other income	**-**	-
Financing costs on long-term debt	**(2.58)**	(2.86)
Adjusted funds flow	**5.70**	12.32
Drilling Activity		
Gross wells	**2**	7
Working interest wells	**2.0**	7.0
Success rate, net wells (%)	**100%**	100%

Notes:

(1) Marketing income was recognized from the monetization of forward physical sales contracts offset by the cost of committed natural gas transportation that was not available during the period.

(2) Net operating costs are calculated as gross operating costs less processing revenue.

(3) Non-IFRS Measure. Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Operating netback does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within Crew's MD&A.

COMMITMENT TO ESG: CREW'S RAPID RESPONSE TO COVID-19

Crew is dedicated to ensuring the health, safety and security of employees, contractors, partners and residents within all of our operating areas and communities. In response to the COVID-19 pandemic, we mobilized quickly to implement response plans and procedures that would protect the health and well-being of all stakeholders. We established work from home protocols in mid-March, including training programs specifically designed to ensure home working environments are effective, and rolled-out new technologies and programs to facilitate remote working across the organization. Due to Crew's rapid and effective mitigation actions, 100% of our head office employees were able to work remotely within days of our local schools closing, having minimal impact on operations or productivity. We also implemented social distancing protocols throughout our field operations that help to protect our field staff and contractors while new workforce efficiencies have been implemented to streamline costs. As a result of the actions taken and the diligence of our staff in following prescribed social distancing measures, we are pleased to report that Crew has not had any lost time as a result of COVID-19.

The Company has taken a measured and calculated approach to shutting-in production to ensure that we not only minimize costs and maximize AFF, but also defer flush production in our UCR area to enhance returns. Crew continues to actively engage with government regulatory bodies both corporately and through our membership in EPAC. Due to our strong relationships, we have maintained open communication with these entities regarding industry challenges and the impacts on employees and the economy. In addition, the health and safety of our Crew family remains paramount and we are pleased to report that our strong safety record is ongoing with zero recordable injuries in Q1/20.

Over the summer of 2020, Crew planned to offer educational work experience to four new students through our annual summer student program which, over the past five years, has provided valuable work experience for 17 students. However, to protect the health and safety of all employees and students, this program has been placed on hold pending easing of restrictions related to COVID-19.

In the current challenging financial and operating environment, Crew's Board has taken proactive steps to reduce G&A expenses, including a 20% reduction in cash compensation for the CEO and the Board of Directors, a 15% compensation reduction for the executive team and 10% reduction for all other staff. In addition, the Company implemented a Shareholder Engagement Policy during Q1/20, which reflects Crew's commitment to transparency, communications and active stakeholder engagement throughout all markets.

FINANCIAL OVERVIEW

Production Exceeds Expectations

- Volumes for the quarter averaged 23,894 boe per day, above our first half 2020 projected range of 22,000 to 23,000 boe per day stemming from stronger condensate and ngl volumes from the West Septimus UCR wells completed late in Q4/19.
- Greater Septimus production averaged 19,894 boe per day in Q1 2019, an increase of 6% over the 18,720 boe per day in Q4/19 and 2% above Q1/19.
- Exploration and development expenditures totaled $18.0 million during the period, with $10.8 million allocated to the drilling and completion of one (1.0 net) water disposal well in the West Septimus area and two (2.0 net) lease preserving multi-lateral heavy oil wells drilled at Lloydminster, $4.9 million to well sites, facilities and pipelines, and $2.3 million to land, seismic and other miscellaneous items.
- Crew continues to work with service providers to reduce capital and operating costs and have been pleased with the collaborative approach taken by our partners.

AFF Driven by Pricing

- Petroleum and natural gas sales of $38.1 million were 15% lower than Q4/19 and 31% less than Q1/19, primarily due to a 19% and 34% decline in Crew's per boe realized price over the same respective periods, slightly offset by higher production.
- Commodity prices remained under pressure through Q1/20 as benchmark prices for all products declined quarter-over-quarter and year-over-year. In particular, oil and condensate prices decreased significantly in the last half of March in response to events on the global stage, including a price war between OPEC+ members, and the demand destruction caused by the impact of the COVID-19 pandemic.
- The benchmarks for Crew's realized pricing declined relative to the same period in 2019 and to the previous quarter:
    - Crew's realized light crude oil price was 27% and 29% lower than in Q1/19 and Q4/19; respectively, while the Canadian dollar denominated West Texas Intermediate ("WTI") benchmark price in Q1/20 declined 16% and 18% over the same respective periods. The larger decline in the Company's light oil pricing compared to the WTI-based benchmark is primarily due to wider pricing differentials between Canadian and U.S. crude caused by the lack of Canadian egress.
    - The heavy crude oil benchmark, Western Canada Select ("WCS"), declined 40% from Q1/19 and 37% from Q4/19, while Crew's heavy oil realized price declined 55% relative to both periods, with the weakness driven by the above mentioned lack of Canadian egress, a seasonal increase in diluent required to blend with the heavy crude oil, combined with weaker spot price sales.
    - Realized pricing for Crew's ngl production decreased 55% in the first quarter as compared to the same period in 2019, and 44% relative to the previous quarter, primarily due to a decrease in component pricing.
    - Realized condensate prices decreased 12% and 13% over Q1/19 and Q4/19, respectively, approximating the same decreases as the Edmonton benchmark condensate price over the same periods.
    - Crew's Q1/20 natural gas sales continued to be exposed to diversified markets, a feature that has benefited the Company significantly in the past, particularly our higher exposure to US markets. For the first time in over four years, the Chicago City Gate net at ATP average quarterly benchmark price traded lower than prices at AECO 5A or Alliance, impacting Crew's realized natural gas price, which decreased 46% and 21% relative to Q1/19 and Q4/19, respectively. Through 2020 and into 2021, the Company's relative exposure to Canadian AECO and Alliance pricing will increase, while exposure to US prices will decrease proportionately.

- Crew generated $12.4 million of AFF in Q1/20 ($0.08 per fully diluted share), 52% lower than the comparable period of 2019 and 23% less than Q4/19, reflecting the impact of weak commodity prices and increased transportation costs per boe.

- Condensate continued to meaningfully impact the Company's financial results. Condensate volumes in Q1/20 represented 14% of total production compared to 11% in each of Q1/19 and Q4/19, while condensate revenue represented a significant share of total revenue at 44% compared to 26% in Q1/19 and 32% in Q4/19.

- During the quarter, the COVID-19 outbreak and subsequent measures taken to limit the pandemic's spread along with increased global oil supply led to a significant decline in our independent reserve engineers' commodity price forecasts. As a result, the Company conducted impairment tests on our cash generating units that resulted in a $267 million non-cash impairment charge against Crew's property, plant and equipment. Additional information is provided in the March 31, 2020 MD&A, under the heading 'Impairment'.

Controlling Cash Costs

- Crew's focus remains on controlling costs across all facets of the organization. Relative to the same period in 2019, Q1/20 net operating costs of $5.74 per boe declined 8%, while transportation costs of $3.21 per boe were higher due to incremental costs associated with Crew's natural gas market diversification strategy that came on-stream during 2019.

- G&A costs of $1.15 per boe were 24% lower in Q1/20 compared to Q1/19 and 14% lower than Q4/19. This reflects the impact of lower head office lease costs and ongoing streamlining of G&A expenses which is expected to be reduced by 25% year-over-year.

Prioritizing Liquidity

- Net debt of $337.7 million at March 31, 2020 was 7% lower than Q1/19, and 3% lower than year end 2019 and reflects the application of $35 million of proceeds from the first closing of our strategic infrastructure transactions to outstanding draws on our credit facility, which totaled $31.0 million at March 31, 2020.

- The infrastructure transactions allow Crew to capture efficiencies and strengthen the balance sheet, ultimately reducing net debt by $58.3 million in 2020, with the added benefit of $2.1 million of annual cost savings following the second closing. In addition, commencing in 2021, Crew can elect to exercise an option for a further disposition of the facility working interests which would result in additional cash consideration of up to $37.5 million, providing added liquidity in an uncertain environment.

- Crew's debt is comprised of $300 million of senior unsecured term debt with no financial maintenance covenants or repayment required until 2024, and a $235 million credit facility that was 13% drawn at quarter-end. The Company is currently working with our banking partners on the annual renewal of our credit facility, which is expected to be completed in May.

TRANSPORTATION, MARKETING & HEDGING

Diversified Market Access and Risk Management

- A key differentiator for Crew is access to multiple natural gas pipeline systems, a highly diversified portfolio and an active marketing team whose efforts have afforded the Company significant exposure to more attractive US price points over the past several years.

- TC Energy's mainline protocol change in Q3/19, that helped stabilize and elevate Canadian natural gas prices to levels more aligned with US sales hubs, has impacted Crew's premium natural gas pricing. As a result of Crew's active portfolio approach and transportation flexibility, we will rebalance the Company's marketing portfolio over the near term to reduce transportation commitments and realign our natural gas portfolio to the markets that provide the best natural gas prices available.

- In Q1/20, Crew's average natural gas sales exposure was weighted approximately 58% to Chicago, 16% to Henry Hub, 19% to Alliance 5A, and 7% to Station 2.

- The Company's 2020 sales portfolio is estimated to be weighted 59% to Chicago, 16% to Henry Hub, 13% to Alliance 5A, 9% to Station 2 and 3% to Malin.
- As we move towards 2021, our estimated weighting will shift to approximately 49% to Chicago, 20% to Alliance 5A, 20% to AECO 5A and 11% to Station 2.
- See our MD&A for a complete list of all hedges in place as at March 31, 2020 along with incremental contracts secured subsequent to quarter end.

OPERATIONS & AREA OVERVIEW

NE BC Montney - Greater Septimus

- All four of Crew's 3-32 wells were flowing through permanent producing facilities in February and continue to exceed expectations with aggregate production of approximately 180,000 bbls of sales condensate in the first four months of production. At the end of Q1/20, per well production rates averaged approximately 3.25 mmcf per day of raw gas and 360 bbls per day of wellhead condensate.
- The twinning of a pipeline in West Septimus was completed and came on-stream in Q1/20, reducing line pressure in our UCR area. This enabled an increase in production and reduced gas lift compression requirements from high-value wells and is expected to lead to a reduction of 1,550 tonnes of CO_2 emissions annually.
- A water disposal well that was drilled and completed in West Septimus during the quarter is expected to significantly reduce water handling costs and remove 6,100 truckloads annually from roads which is equivalent to 2,800 tonnes of CO_2 emissions. Tie-in and pipeline work is scheduled to commence after spring break-up with the commissioning of the disposal well anticipated in early Q4/20.

Greater Septimus

Production & Drilling	**Q1 2020**	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Average daily production (boe/d)	**19,894**	18,720	19,648	19,594	19,535
Wells drilled (gross / net)	**0**	0	0	1 / 1.0	6 / 6.0
Wells completed (gross / net)	**0**	4 / 4.0	1 / 1.0	0	8 / 8.0

Operating Netback ($ per boe)	**Q1 2020**	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Revenue	**17.61**	20.13	17.38	22.20	25.61
Royalties	**(0.86)**	(1.76)	(1.04)	(1.27)	(1.56)
Realized commodity hedge gain / (loss)	**1.44**	0.90	1.78	0.28	(0.74)
Marketing income(1)	**0.13**	(0.02)	1.55	1.43	1.66
Net operating costs(2)	**(4.52)**	(3.99)	(4.41)	(4.46)	(4.65)
Transportation costs	**(2.99)**	(2.61)	(2.62)	(2.81)	(1.73)
Operating netback(3)	**10.81**	12.65	12.64	15.37	18.59

Notes:

(1) Marketing income was recognized from the monetization of forward physical sales contracts offset by the cost of committed natural gas transportation that was not available during the period.

(2) Net operating costs are calculated as gross operating costs less processing revenue.

(3) Non-IFRS Measure. Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts, marking income, less royalties, net operating costs and transportation costs calculated on a boe basis. Operating netback does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within Crew's MD&A.

Other NE BC Montney

- **Tower:** Production from this area averaged 691 boe per day in Q1/20, comprised of 185 bbls per day of oil, 19 bbls per day of condensate, 52 bbls per day of ngl and 2,609 mcf per day of natural gas. Crew is evaluating options to reduce operating costs through optimization of existing pipeline infrastructure and is expected to result in improved netbacks.

- **Attachie:** Approximately 44 of the Company's 90 net sections in this area are located within the liquids-rich hydrocarbon window. Given the positive results generated by offsetting operators, a lease retention well is currently planned and would conclude the lease preservation program at Attachie.

- **Oak / Flatrock:** In this liquids-rich gas area, Crew has more than 60 (52 net) sections of land, and the Company plans to continue monitoring industry activity and offsetting well results which have been encouraging.

AB / SK Heavy Oil - Lloydminster

- Two heavy oil multi-lateral lease retention wells were drilled in Q1/20, which in combination have retained 11 additional multi-lateral drilling locations. These wells came in under budget, with completions and facility tie-in work anticipated in early Q2/20.

- Crew began to scale back production of the heavy oil operations at Lloydminster during the quarter in order to preserve value and minimize operating costs. The Company had approximately 400 bbls of oil per day shut-in in April, with that number expected to increase to 750 bbls of oil per day in May.

OUTLOOK

- In light of the severely weak commodity price environment, the Company plans to commence shutting-in additional production in May, 2020, designed to preserve well economics, optimize pricing and further reduce costs. With the current pricing volatility, decisions related to producing volumes will be a fluid and dynamic process. Crew currently anticipates shut-ins of approximately 750 boe per day at Lloydminster and approximately 3,500 boe per day of recently completed UCR production in northeast B.C. in May, with all production to be carefully and continuously monitored for relative and incremental returns.

- Notwithstanding our plans to shut-in over 4,000 boe per day of productive capacity in May and June, Crew's strong Q1 production performance has allowed the Company to maintain annual production guidance of 20,000 to 22,000 boe per day. Crew's annual capital budget range has been reduced to $35 to $40 million with Q2/20 capital spending projected to be $6 to $8 million.
- Crew remains well positioned from a liquidity perspective with 13% drawn on our $235 million credit facility at quarter-end, and an additional net $23 million cash payment expected to be realized during Q4/20 associated with the strategic infrastructure transactions. With $300 million of senior notes termed out to 2024, Crew does not face any near-term maturities or repayment requirements affording financial flexibility to weather continued market weakness.
- Crew has identified material cost savings associated with shutting-in low margin production, reduced water handling and trucking costs related to our new water disposal well, lower processing fees and lower G&A. The Company continues to diligently implement plans to reduce expenses and improve netbacks
- The Company's strategic asset base, which offers access to three natural gas export pipelines and an active, diversified marketing portfolio, enables Crew to leverage transportation arrangements to access natural gas markets offering the strongest pricing. With our 2020 gas weighting expected to be approximately 72%, we are encouraged by the constructive supply / demand fundamentals and futures price outlook. We are prepared to capitalize on changing price environments and seek to produce the commodity offering the highest potential returns into favorably priced markets.
- Crew is actively reviewing its eligibility for all Government of Canada and provincial programs and subsidies that have been offered due to the Covid-19 pandemic. While these programs may assist to cushion the Company from financial losses over the short-term, Crew's dedicated team and strong liquidity position are critical to the Company's survival and success in this challenging yet opportunity-rich environment.

The crisis caused by the COVID-19 pandemic has resulted in unprecedented economic challenges facing the world and in particular our business. We appreciate the tireless efforts of Crew's employees and Directors whose commitment and dedication is critical to the success of our Company. We thank all of our shareholders and bondholders for your ongoing support.

Stay safe and be well.

Advisories

Information Regarding Disclosure on Operational Information and Non-IFRS Measures

All amounts in this report are stated in Canadian dollars unless otherwise specified.

This report contains financial and performance metrics that are not defined in IFRS and do not have standardized meanings or standardized methods of calculation, such as "adjusted funds flow", "operating netbacks", "net capital expenditures", "working capital surplus" and "net debt". As such, these terms may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included herein to provide readers with additional information to evaluate the Company's performance, however such metrics should not be unduly relied upon. Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Crew's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this report, should not be relied upon for investment or other purposes.

Forward-Looking Information and Statements

This report contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this report contains forward-looking information and statements pertaining to the following: the potential and uncertain impact of COVID-19 on the Company's operations and results; as to the execution of Crew's business plan; the anticipated receipt of additional net cash proceeds of $23 million upon remaining closings of the Company's previously announced strategic transactions; as to the Company's ongoing goal of increasing the overall weighting of condensate in its production mix; the estimated volumes, including planned production shut-ins, and product mix of Crew's oil and gas production; production estimates; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs; marketing and transportation plans; estimates of sales points weightings; future liquidity and financial capacity; expectations regarding our credit facility renewal; future results from operations and operating metrics; potential for lower costs and efficiencies going forward including estimated annual savings associated with shut-ins and planned operations and streamlining efforts; expectations regarding the potential government programs associated with COVID-19; world supply and demand projections and anticipated reductions in industry spending as a result, and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans and associated timing and cost estimates); infrastructure investment plans and associated production capacity; and the amount and timing of capital projects.

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

The forward-looking information and statements included in this report are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: the impact of COVID-19; changes in commodity prices; changes in the demand for or supply of Crew's products, the early stage of development of some of the evaluated areas and zones the potential for variation in the quality of the Montney formation; interruptions, unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates; climate change regulations, or other regulatory matters; changes in development plans of Crew or by third party operators of Crew's properties, increased debt levels or debt service requirements; inaccurate estimation of Crew's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Crew's public disclosure documents (including, without limitation, those risks identified in this report and Crew's Annual Information Form).

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

Supplemental Information Regarding Product Types

This report includes references to average daily production volumes by quarter at Greater Septimus. The following is intended to provide the product type composition for each of the production figures provided herein, where not already disclosed within tables above:

	Greater Septimus Production Volume Breakdown			
	Natural gas liquids[(1)]	Condensate	Natural gas	Total (boe/d)
Q1/20	*11%*	*17%*	*72%*	19,894
Q4/19	*10%*	*13%*	*77%*	18,720
Q3/19	*11%*	*13%*	*76%*	19,648
Q2/19	*10%*	*16%*	*74%*	19,594
Q1/19	*10%*	*13%*	*77%*	19,535

Notes:
(1) Throughout this report, natural gas liquids (“ngl”) comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately.

Test Results and Initial Production Rates

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

BOE equivalent

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

Crew is a growth-oriented oil and natural gas producer, committed to pursuing sustainable per share growth through a balanced mix of financially and socially responsible exploration and development complemented by strategic acquisitions. The Company’s operations are primarily focused in the vast Montney resource, situated in northeast British Columbia, and include a large contiguous land base. Crew's ultra-condensate-rich Septimus and West Septimus areas ("Greater Septimus") along with Groundbirch and the light oil area at Tower in British Columbia offer significant development potential over the long-term. The Company has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. Crew’s common shares are listed for trading on the Toronto Stock Exchange (“TSX”) under the symbol “CR”.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT CREW

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

ADVISORIES

Management's discussion and analysis ("MD&A") is the explanation of the financial performance for the period covered by the financial statements along with an analysis of the financial position of the Company. Comments relate to and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three month period ended March 31, 2020 and 2019. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). There have been no significant changes to the critical estimates disclosed in the Company's audited financial statements for the year ended December 31, 2019. All figures provided herein and in the March 31, 2020 unaudited condensed interim consolidated financial statements are reported in Canadian dollars ("CDN"). This MD&A is dated May 7, 2020.

Responding to the Novel Coronavirus ("COVID-19")

During the first quarter, COVID-19 reached a pandemic state. Measures taken by governments around the world to contain the virus significantly reduced demand for commodities, along with other products and services. This caused a significant slowdown in the global economy and a crash of global financial markets. At the same time, the cooperation between the Organization of Petroleum Exporting Countries ("OPEC") and non-OPEC members, primarily Saudi Arabia and Russia, to manage global crude oil production levels broke down and each party increased their daily crude oil production, increasing overall global supply. The combination of these events resulted in a one-day decline in benchmark crude oil prices of 24 percent on March 9, 2020, the biggest one-day decline on record since 1991. Average benchmark crude oil prices in March declined approximately 50 percent compared with average prices in December 2019. Natural gas prices have also been very volatile throughout the period, but in recent months the forward curves for both AECO and NYMEX have been strengthening. This has helped to offset some of the impact of the significant decrease in liquids prices. In general, the oil and gas industry has reacted with reductions to capital and other spending, as well as production shut-ins, to try to manage through this price environment. The duration of the current commodity price volatility is uncertain.

Crew is dedicated to ensuring the health, safety and security of employees, contractors, partners and residents within all of its operating areas and communities. In response to the COVID-19 pandemic, the Company mobilized quickly to implement response plans and procedures that would protect the health and well-being of all stakeholders. Crew established work from home protocols in mid-March, including training programs specifically designed to ensure home working environments are effective, and rolled-out new technologies and programs to facilitate remote working across the organization. Due to Crew's rapid and effective mitigation actions, 100% of the Company's head office employees were able to work remotely within days of the Company's local schools closing, having minimal impact on operations or productivity. The Company also implemented social distancing protocols throughout its field operations that help to protect field staff and contractors, while new workforce efficiencies have been implemented to streamline costs. As a result of the actions taken and the diligence of the Company's staff in following prescribed social distancing measures, the Company is pleased to report that it has not had any lost time as a result of COVID-19.

Crew's flexible business plan and financial structure provide the Company with the flexibility to manage through these uncertain times. In light of the prevailing weak commodity price environment, the Company plans to shut-in production through the second quarter of 2020 in order to preserve well economics, optimize pricing and reduce costs. Crew will carefully select those wells which will not be damaged by shutting-in and can rapidly resume production when prices are supportive. Crew continues to manage capital expenditures, limiting expenditures for the remainder of 2020 to long-term maintenance expenditures and cost savings initiatives.

Crew remains well positioned from a liquidity perspective with low draws on its $235 million credit facility at March 31, 2020. The Company successfully completed the first phase of the previously announced sale of a 22% interest in its Greater Septimus processing complex in the first quarter for $35 million. The Company plans to close the second phase of the sale along with an associated buyback of a 16% interest in the complex for a net receipt to the Company of $23 million in the fourth quarter of 2020. In addition, with $300 million of senior unsecured notes that are termed out until 2024, Crew does not face any near-term maturities or repayment requirements, which affords the financial flexibility to weather continued market weakness.

Crew believes the measures it has taken will provide it with the financial capability to maintain its base business, deliver safe and reliable operations and continue to challenge its cost structure. The Company is confident that commodity prices will eventually improve; however, the timing of that improvement is uncertain, and continued volatility is expected.

Forward Looking Statements

This MD&A contains forward looking statements. Management's assessment of the potential and uncertain impact of COVID-19 on the Company's operations and results, future plans and operations, including 2020 production guidance, capital spending plans and budget estimates, drilling plans and the timing thereof, plans for the completion and tie-in of wells, facility and pipeline construction, expansion, commissioning and the timing thereof, capital expenditures, timing of capital expenditures and methods of financing capital expenditures and the ability to fund financial liabilities, production estimates, expected commodity mix and prices, future net operating costs, future transportation costs, expected royalty rates, expected and forecasted reductions in general and administrative expenses for 2020, expected interest rates and other financing charges, debt levels and expected debt levels, funds from operations and the timing of and impact of implementing accounting policies, expectations in regards to the Company's credit facilities, estimates regarding undeveloped land position and estimated future drilling, recompletion or reactivation locations, plans to shut-in production through the second quarter, anticipated closings of infrastructure transactions in the fourth quarter, the potential for further property divestures and the anticipated impact of potential future transactions may constitute forward looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and inability to access sufficient capital from internal and external sources. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward looking statements. Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Crew believes that the expectations reflected in such forward looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact measures taken to protect citizens from COVID-19 will have on global energy demand and global economies; the potential impact of government programs associated with COVID-19; the general stability of the economic and political environment in which Crew operates; the impact of increasing competition; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Crew's ability to obtain financing on acceptable terms; changes in the Company's banking facility; field production rates and decline rates; the ability to reduce net operating costs; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future petroleum and natural gas prices; currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and Crew's ability to successfully market its petroleum and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website (www.crewenergy.com).

The internal projections, expectations or beliefs underlying the Company's 2020 capital budget, production guidance and corporate outlook for 2020 and beyond are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Crew's outlook for 2020 and beyond provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions, dispositions or strategic transactions that may be completed in 2020 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2020 guidance and outlook may not be appropriate for other purposes. Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Conversions

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

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

Non-IFRS Measures

Throughout this MD&A, the Company uses certain measures to analyze operational and financial performance. These non-IFRS measures do not have any standardized meaning prescribed under IFRS and therefore, may not be calculated in a similar fashion nor comparable to similar measures presented by other entities. Management believes that the presentation of these non-IFRS measures provides useful information to shareholders and investors as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

Funds from Operations and Adjusted Funds Flow

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

The following table reconciles Crew's cash provided by operating activities to funds from operations and adjusted funds flow:

($ thousands)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Cash provided by operating activities	**9,919**	10,533
Change in operating non-cash working capital	**2,645**	13,719
Accretion of deferred financing costs	**(245)**	(245)
Funds from operations	**12,319**	24,007
Decommissioning obligations settled	**81**	1,764
Adjusted funds flow	**12,400**	25,771

Operating Netback

Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. This benchmark as presented does not have any standardized meaning prescribed by IFRS, and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Management considers operating netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's netbacks can be seen in the section entitled "Operating Netbacks" of this MD&A.

Working Capital and Net Debt

The Company closely monitors its capital structure with a goal of maintaining a strong financial position in order to fund current operations and the future growth of the Company. Crew monitors working capital and net debt as part of its capital structure. Working capital and net debt do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures for other entities.

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

($ thousands)	**March 31, 2020**	December 31, 2019
Current assets	**35,341**	50,019
Current liabilities	**(28,363)**	(46,690)
Derivative financial instruments	**(17,519)**	(3,180)
Working capital (deficiency) surplus	**(10,541)**	149

($ thousands)	**March 31, 2020**	December 31, 2019
Bank loan	**(31,049)**	(52,136)
Senior unsecured notes	**(296,113)**	(295,868)
Working capital (deficiency) surplus	**(10,541)**	149
Net debt	**(337,703)**	(347,855)

RESULTS OF OPERATIONS

Production

	Three months ended March 31, 2020					Three months ended March 31, 2019				
	Oil (bbl/d)	**Condensate (bbl/d)**	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Oil (bbl/d)	Condensate (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
NE BC	**215**	**3,340**	**2,288**	**99,111**	**22,361**	226	2,617	2,014	100,505	21,608
Lloydminster	**1,527**	**-**	**-**	**33**	**1,533**	1,608	-	-	37	1,614
Total	**1,742**	**3,340**	**2,288**	**99,144**	**23,894**	1,834	2,617	2,014	100,542	23,222

During the first quarter of 2020, production increased 3% over the same period in 2019 as a result of increased condensate and ngl production in the liquids-rich West Septimus area, where the Company completed new wells late in the fourth quarter of 2019. This was partially offset by a decline in production in the Lloydminster area stemming from natural declines and limited capital investment.

Petroleum and Natural Gas Sales

	Three months ended March 31, 2020	Three months ended March 31, 2019
Petroleum and natural gas sales ($ thousands)		
Light crude oil	**878**	1,240
Heavy crude oil	**2,788**	6,404
Natural gas liquids	**1,012**	1,974
Condensate	**16,665**	14,642
Natural gas	**16,751**	31,191
Total	**38,094**	55,451
Crew average prices		
Light crude oil ($/bbl)	**44.81**	61.04
Heavy crude oil ($/bbl)	**20.06**	44.25
Natural gas liquids ($/bbl)	**4.86**	10.89
Condensate ($/bbl)	**54.83**	62.17
Natural gas ($/mcf)	**1.86**	3.45
Oil equivalent ($/boe)	**17.52**	26.53
Benchmark pricing		
Light crude oil – Cdn$ WTI (Cdn $/bbl)	**61.65**	72.98
Heavy crude oil – WCS (Cdn $/bbl)	**34.07**	56.89
Condensate – Condensate @ Edmonton (Cdn $/bbl)	**61.69**	67.84
Natural Gas:		
AECO 5A daily index (Cdn $/mcf)	**2.03**	2.62
AECO 7A monthly index (Cdn $/mcf)	**2.14**	2.15
Alliance 5A (Cdn $/mcf)	**2.03**	2.77
Chicago City Gate at ATP (Cdn $/mcf)	**1.61**	3.37
Henry Hub Close (Cdn $/mcf)	**2.62**	4.19

In the first quarter of 2020, the Company's petroleum and natural gas sales decreased 31% as compared to the same period in 2019, mainly a result of a 34% decrease in the Company's realized wellhead pricing, partially offset by an increase in production.

The Company's realized light crude oil price decreased 27%, which is higher than the 16% decrease in the Company's Cdn$ West Texas Intermediate ("WTI") benchmark price from the same period last year as a result of weaker Canadian crude price differentials compared to US crude prices due to the lack of Canadian egress. Crew's first quarter heavy crude oil price decreased 55%, which was higher than the 40% decrease in the Company's WCS benchmark, a result of a seasonal increase in diluent required to blend with the heavy crude oil as compared to the same period last year, combined with weaker spot price sales. The ngl realized price decreased 55% in the first quarter as compared to the same period in 2019, due to a decrease in component pricing, in particular, a large decline in realized propane and butane pricing across North America. Crew's ngl pricing includes embedded cost to process the ngl product out of the Company's gas stream, which occurs after the custody transfer point. The cost of processing cannot exceed the price of the extracted product. The Company's first quarter realized condensate price decreased 12% over the same period in 2019, which approximated the 9% decrease in the Condensate at Edmonton benchmark price. Crew's realized natural gas price decreased 46% in the first quarter of 2020, which is consistent with the 42% decrease in the Company's natural gas sales portfolio weighted benchmark price.

The Company's first quarter 2020 natural gas sales portfolio was based approximately on the following reference prices:

	Q1 2020	Q1 2019
AECO 5A	**-**	9%
Alliance 5A	**19%**	28%
Chicago City Gate at ATP	**58%**	46%
Henry Hub	**16%**	15%
Station 2	**7%**	2%
Total	**100%**	100%

Royalties

($ thousands, except per boe)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Royalties	**2,164**	3,864
Per boe	**1.00**	1.85
Percentage of petroleum and natural gas sales	**5.7%**	7.0%

For the first quarter of 2020, royalties and royalties per boe decreased over the same period in 2019, due to a decrease in realized wellhead pricing as crown royalty rates fluctuate on a sliding scale with increases and decreases in the underlying commodity price. The Company continues to expect its royalties as a percentage of petroleum and natural gas sales to average between 5% and 7% in 2020.

Derivative Financial Instruments

Commodities

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

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

($ thousands)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Realized gain (loss) on derivative financial instruments	**3,800**	(1,837)
Per boe	**1.75**	(0.88)
Unrealized gain (loss) on financial instruments	**14,339**	(10,880)

At March 31, 2020, the Company held derivative commodity contracts as follows:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded	Fair Value
Gas	10,000 mmbtu/day	April 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Monthly	$3.34/mmbtu	Swap	$ 2,249
Gas	2,500 mmbtu/day	April 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Daily	$3.23/mmbtu	Swap	481
Gas	2,500 mmbtu/day	April 1, 2020 – December 31, 2020	US$ Nymex Henry Hub	$2.48/mmbtu	Swap	382
Gas	2,500 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Monthly	$3.17/mmbtu	Swap	(127)
Gas	5,000 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Daily	$3.18/mmbtu	Swap	(241)
Oil	250 bbl/day	April 1, 2020 – June 30, 2020	CDN$ WTI	$75.50/bbl	Swap	907
Oil	250 bbl/day	April 1, 2020 – June 30, 2020	USD$ WCS – WTI Differential	($17.25)/bbl	Swap	(93)
Oil	500 bbl/day	April 1, 2020 – June 30, 2020	CDN$ WCS	$52.25/bbl	Swap	1,669
Oil	1,000 bbl/day	April 1, 2020 – December 31, 2020	CDN$ WTI	$77.65/bbl	Swap	9,672
Oil	250 bbl/day	May 1, 2020 – June 30, 2020	CDN$ WTI	$38.00/bbl	Swap	2
Oil	250 bbl/day	July 1, 2020 – September 30, 2020	USD$ WCS – WTI Differential	($16.00)/bbl	Swap	(40)
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WTI	$76.00/bbl	Swap	1,387
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	USD$ WCS – WTI Differential	($15.60)/bbl	Swap	2
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WCS	$51.50/bbl	Swap	1,269
Total						**$ 17,519**

Subsequent to March 31, 2020, the Company entered into the following commodity contracts:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded
Gas	2,500 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Daily	$3.36/mmbtu	Swap
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Monthly Index	$2.05/gj	Swap
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Daily Index	$2.35/gj	Swap
Oil	250 bbl/day	April 1, 2020 – June 30, 2020	CDN$ WTI	$39.20/bbl	Swap
Oil	250 bbl/day	May 1, 2020 – June 30, 2020	CDN$ WTI	$41.00/bbl	Swap

Marketing Income

($ thousands, except per boe)	Three months ended March 31, 2020	Three months ended March 31, 2019
Marketing revenue	**233**	3,340
Marketing expense	**-**	(414)
Marketing income	**233**	2,926
Per boe	**0.11**	1.40

In the first quarter of 2020, the Company recognized $0.2 million of marketing income related to the monetization of the Company's exposure to the Malin natural gas market. This amount was lower than the same period in 2019 when the Company realized gains on the monetization of its exposure to Malin and Dawn markets that were priced significantly stronger relative to Canadian markets than they were in the first quarter of 2020.

Net Operating Costs

($ thousands, except per boe)	Three months ended March 31, 2020	Three months ended March 31, 2019
Operating costs	**13,114**	13,955
Processing revenue	**(639)**	(900)
Net operating costs	**12,475**	13,055
Per boe	**5.74**	6.25

During the first quarter of 2020, net operating costs and net operating costs per boe decreased as compared to the same period in 2019, as a result of efforts by the Company to optimize field operations and reduce costs across all operating areas. This was coupled with increased production at West Septimus, which yields lower operating costs per boe. The Company has downward revised its forecast for 2020 net operating costs from between $6.25 and $6.75 per boe to average between $6.00 and $6.50 per boe. This new forecast reflects the decrease in operating costs due to the shutting-in of higher cost production, partially offset by the impact of declining production during the remainder of the year due to low capital spending and shut-in production.

Transportation Costs

($ thousands, except per boe)	Three months ended March 31, 2020	Three months ended March 31, 2019
Transportation costs	**6,971**	4,717
Per boe	**3.21**	2.26

During the first quarter of 2020, transportation costs increased compared to the same period in 2019, as a result of the added costs associated with the Company's natural gas market diversification strategy that came on-stream at the end of the first quarter of 2019. This multi-year project added take-or-pay costs associated with the Company's partially owned sales pipeline from West Septimus to TC Energy's ("TC") Saturn meter station and the associated TC mainline receipt service. The Company continues to forecast 2020 transportation costs to average between $3.50 and $4.00 per boe, as a forecasted decline in production will increase the per unit cost of transportation later in the year.

Operating Netbacks[1]

($/boe)	**Greater Septimus**	**Lloydminster Heavy Oil**	**Other NE BC**	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Petroleum and natural gas sales	**17.61**	**20.03**	**15.23**	**17.52**	26.53
Royalties	**(0.86)**	**(3.15)**	**(0.73)**	**(1.00)**	(1.85)
Realized commodity hedging gain (loss)	**1.44**	**6.67**	**1.15**	**1.75**	(0.88)
Marketing income	**0.13**	**-**	**-**	**0.11**	1.40
Net operating costs	**(4.52)**	**(20.86)**	**(6.11)**	**(5.74)**	(6.25)
Transportation costs	**(2.99)**	**(0.53)**	**(6.60)**	**(3.21)**	(2.26)
Operating netbacks	**10.81**	**2.16**	**2.94**	**9.43**	16.69
Production (boe/d)	**19,894**	**1,533**	**2,467**	**23,894**	23,222

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

For the first quarter of 2020, the Company's operating netback decreased 43% over the same period in 2019, as a result of the decreases in wellhead pricing and marketing income, as well as increased transportation costs, partially offset by reductions in royalties and net operating costs and increases in hedging gains.

General and Administrative Cost

($ thousands, except per boe)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Gross costs	**3,853**	4,715
Operator's recoveries	**(11)**	(23)
Capitalized costs	**(1,344)**	(1,546)
General and administrative expenses	**2,498**	3,146
Per boe	**1.15**	1.51

Gross and net general and administrative ("G&A") costs decreased 18% and 21%, respectively, in the first quarter of 2020 as compared to the same period in 2019, due to lower compensation costs and reduced staffing levels, combined with lower head office operating and property tax costs as a result of a reduction in office space and the Company's continued focus on administrative cost reductions. These decreases, when combined with the increase in production, contributed to the 24% decrease in G&A costs per boe in the first quarter of 2020 as compared to the same period in 2019. With the aforementioned costs savings and further compensation reductions planned for the remainder of the year, the Company has reduced its forecasted G&A costs per boe from between $1.25 and $1.50 per boe to average between $1.00 and $1.25 in 2020.

Share-Based Compensation

($ thousands)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Gross costs	**1,815**	3,514
Capitalized costs	**(897)**	(1,680)
Total share-based compensation	**918**	1,834

In the first quarter of 2020, the Company's total share-based compensation expense decreased as compared to the same period in 2019, as a decline in the Company's share price led to a decrease in the value of share-based compensation granted in 2019 as compared to 2018.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Depletion and depreciation	**19,514**	**19,828**
Per boe	**8.97**	**9.49**

In the first quarter of 2020, depletion and depreciation costs per boe decreased as compared to the same period in 2019 due to increased production, a reduction in land expiries and increased reserve bookings in the Greater Septimus area, where depletion rates are lower than the corporate average.

Impairment

At March 31, 2020, the Company determined that indicators of impairment existed as a result of; the COVID-19 outbreak and its impact on global commodity demand due to the measures taken to limit the spread of the pandemic, the rapid fall in crude oil prices due to increased supply brought on by a price war between OPEC and non-OPEC members, and the impact that these events had on the Company's equity and debt values. As a result, the Company tested its northeast British Columbia CGU and Lloydminster CGU for impairment. It was determined that the carrying value of the northeast British Columbia CGU and Lloydminster CGU exceeded their recoverable amounts and impairment charges of $237.5 million and $29.8 million, respectively, were recorded for the CGUs.

Finance Expenses

($ thousands, except per boe)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Interest on bank loan and other	**566**	934
Interest on senior notes	**4,808**	4,808
Accretion of deferred financing charges	**245**	245
Accretion of the decommissioning obligation	**383**	479
Total finance expense	**6,002**	6,466
Average long-term debt level	**344,874**	357,127
Average drawings on bank loan	**44,874**	57,127
Average senior unsecured notes outstanding	**300,000**	300,000
Effective interest rate on senior unsecured notes	**6.5%**	6.5%
Effective interest rate on long-term debt	**6.1%**	6.1%
Financing costs on long-term debt per boe	**2.58**	2.86

The Company's total finance expense and average corporate debt levels decreased in the first quarter of 2020 as compared to the same period in 2019, as a result of the Company applying proceeds received from non-core asset and infrastructure dispositions against drawings on its bank loan. Crew continues to forecast the effective interest rate on its long-term debt to average between 6.0% and 6.5% in 2019.

Gain on Divestiture of Property

During the first quarter of 2020, the Company disposed of an 11% net working interest in each of its Septimus gas processing facility and West Septimus gas processing facility located in Northeast British Columbia for net proceeds of $34.8 million after transaction costs. These facilities were classified as held for sale as at December 31, 2019, with a net book value of $19.8 million and associated decommissioning obligations of $0.7 million, resulting in a gain of $15.7 million.

Deferred Income Taxes

In the first quarter of 2020, the provision for deferred income taxes was a deferred tax recovery of $53.6 million, as compared to a deferred tax expense of $3.4 million for the same period in 2019. The change from a deferred tax expense to a deferred tax recovery was predominantly due to the impairment charge recorded in the first quarter of 2020, resulting in a net loss realized in 2020 as compared to net income in the same period in 2019. The Company did not recognize a deferred income tax asset due to the uncertainty of future commodity prices and cash flows.

Cash, Funds from Operations and Net Income

($ thousands, except per share amounts)		**Three months ended March 31, 2020**	Three months ended March 31, 2019
Cash provided by operating activities		**9,919**	10,533
Adjusted funds flow [(1)]		**12,400**	25,771
Per share	- basic	**0.08**	0.17
	- diluted	**0.08**	0.17
Net (loss) income		**(191,909)**	6,186
Per share	- basic	**(1.27)**	0.04
	- diluted	**(1.27)**	0.04

Note:
(1) Non-IFRS measure. Adjusted funds flow is calculated as cash provided by operating activities, adding the change in operating non-cash working capital, decommissioning obligations settled and accretion of deferred financing costs on the senior unsecured notes. Adjusted funds flow is used to analyze the Company's operating performance and leverage. Adjusted funds flow does not have a standardized measure prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other companies. See "Non-IFRS Measures" contained within this MD&A.

Cash provided by operating activities and adjusted funds flow decreased in the first quarter of 2020, predominantly due to lower petroleum and natural gas sales, and increased transportation costs as compared to the same period in 2019. When combined with the large after-tax impairment charge, the Company had a net loss in the first quarter of 2020 as compared to net income in the same period in 2019.

Capital Expenditures, Property Acquisitions and Dispositions

($ thousands)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Land	**657**	722
Seismic	**245**	303
Drilling and completions	**10,775**	49,041
Facilities, equipment and pipelines	**4,949**	3,368
Other	**1,403**	1,807
Total exploration and development	**18,029**	55,241
Net property dispositions	**(34,940)**	(15,924)
Total	**(16,911)**	39,317

In the first quarter of 2020, the Company spent a total of $18.0 million on exploration and development expenditures. During the quarter, $10.8 million was spent on drilling and completion of one (1.0 net) water disposal well in the West Septimus area and two (2.0 net) lease preserving heavy oil wells drilled at Lloydminster. The Company spent $4.9 million on well sites, facilities and pipelines and $2.3 million on land, seismic and other miscellaneous items.

LIQUIDITY AND CAPITAL RESOURCES

Risks and Uncertainties

The emergence of COVID-19 has resulted in emergency actions by governments worldwide, which has had an effect in all of the Company's operating jurisdictions. The actions taken by these governments have typically included, but is not limited to travel bans, mandatory and self-imposed quarantines and isolations, social distancing, and the closing of non-essential businesses which has had significant negative effects on economies, including a substantial decline in crude oil and natural gas demand.

The full extent of the risks surrounding the severity and timing of the COVID-19 pandemic is continually evolving and is not fully known at this time. Therefore, there is significant risk and uncertainty which may have a material and adverse effect on the Company's operations. The following risks disclosed in the Company's Annual Information Form for the year ended December 31, 2019 may, without limitation, be exacerbated as a result of the COVID-19 pandemic: declines in oil, NGL and natural gas prices; variations in interest rates and foreign exchange rates; stock market volatility; uncertainties relating to market valuations; refinancing risk for existing debt and debt service costs; access to external sources of capital; risks associated with the Company's hedging activities; third party credit risk; government regulation and control and changes in governmental legislation; changes in income tax laws, royalty rates and other incentive programs; risks associated with acquiring, developing and exploring for oil, NGL and natural gas and other aspects of the Company's operations; expansion of the Company's activities; closings of previously announced infrastructure transactions in the fourth quarter; the failure to realize anticipated benefits of acquisitions and dispositions or to manage growth; and risks of non-cash losses as a result of the application of accounting policies.

Working Capital

The capital intensive nature of Crew's activities generally results in the Company carrying a working capital deficiency. Working capital includes cash and cash equivalents and accounts receivable less accounts payable and accrued liabilities. Included in the working capital deficiency is a receivable of $3.5 million for a Government of British Columbia infrastructure credit earned through the completion of a pipeline connecting the West Septimus processing facility to the TC Energy Saturn meter station. The collection of the credits is realized through the reduction of future royalties payable.

The Company ensures that sufficient drawings are available on its Facility to satisfy working capital requirements. At March 31, 2020, the Company's working capital deficiency of $10.5 million, when combined with the drawings on its bank loan, represented drawings of 18% on its $235 million Facility described below.

Capital Funding

Bank Loan

As at March 31, 2020, the Company's bank facility consists of a revolving line of credit of $210 million and an operating line of credit of $25 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 4, 2020. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. The Facility requires the Company to maintain a Liability Management Rating ("LMR") of greater than 1.2:1 in the provinces of Alberta and Saskatchewan, and greater than 2.0:1 in the province of British Columbia, if the uninflated, undiscounted abandonment and reclamation liabilities ("Decommissioning Obligations"), as determined by the individual province, is greater than $20 million. If the LMR falls below the required level in any province, the lenders have the option to re-determine the Borrowing Base. As at March 31, 2020, the Company's Decommissioning Obligations exceeded $20 million in the provinces of Alberta and British Columbia, which carried an LMR of 1.8:1 and 7.8:1, respectively. There can be no assurance that the amount of the available Facility will not be adjusted at the next scheduled Borrowing Base review on or before June 4, 2020. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Senior Unsecured Notes

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

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

Year(1)	Percentage
2020	103.250%
2021	102.145%
2022	101.040%
2023 and thereafter	100.000%

(1) For the 12 month period beginning on March 14 of each year.

Upon the occurrence of a change of control, the Company will be required to offer to repurchase each holder's notes at a price equal to not less than 101% of the principal amount, plus any accrued and unpaid interest.

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

Share Capital

Crew is authorized to issue an unlimited number of common shares. As at May 7, 2020, there were 156,416,848 common shares of the Company issued and outstanding, which includes 3,281,698 shares held in trust for the potential future settlement of awards issued under the Company's Restricted and Performance Award Incentive Plan. In addition, there were 4,195,710 restricted awards and 4,594,878 performance awards outstanding.

Related-Party and Off-Balance-Sheet Transactions

Crew was not involved in any off-balance-sheet transactions or related party transactions during the quarter ended March 31, 2020.

Capital Structure

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

Contractual Obligations

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

($ thousands)	Total	2020	2021	2022	2023	2024	Thereafter
Bank loan (note 1)	31,049	-	31,049	-	-	-	-
Senior unsecured notes (note 2)	300,000	-	-	-	-	300,000	-
Lease obligations	3,163	72	-	244	731	731	1,385
Firm transportation agreements	228,181	35,979	42,929	30,875	26,032	25,541	66,825
Firm processing agreements	153,531	14,332	15,536	15,536	15,536	15,570	77,021
Total	**715,924**	**50,383**	**89,514**	**46,655**	**42,299**	**341,842**	**145,231**

Note 1 – Based on the existing terms of the Company's Facility, the first possible repayment date may come in 2021. However, it is expected that the Facility will be extended and no repayment will be required in the near term.
Note 2 – Matures on March 14, 2024.

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

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

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

GUIDANCE

In light of the severely weak commodity price environment, the Company plans to commence shutting-in additional production in May 2020, designed to preserve well economics, optimize pricing and further reduce costs. With the current pricing volatility, decisions related to producing volumes will be a fluid and dynamic process. The Company anticipates shut-ins of approximately 750 boe per day at Lloydminster and approximately 3,500 boe per day of recently completed ultra-condensate rich production in northeast B.C. for May, with all production to be carefully and continuously monitored for relative and incremental returns.

Notwithstanding the Company's plans to shut-in over 4,000 boe per day of productive capacity in May and June, Crew's strong Q1 production performance has allowed the Company to maintain annual production guidance of 20,000 to 22,000 boe per day. Crew's annual capital budget range has been reduced to $35 to $40 million with Q2/20 capital spending projected to be $6 to $8 million.

ADDITIONAL DISCLOSURES

Quarterly Analysis

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

($ thousands, except per share amounts)	**Mar. 31 2020**	Dec. 31 2019	Sep. 30 2019	June 30 2019	Mar. 31 2019	Dec. 31 2018	Sep. 30 2018	June 30 2018
Total daily production (boe/d)	**23,894**	22,446	22,824	22,865	23,222	22,383	23,680	23,583
Exploration and development expenditures	**18,029**	26,390	18,466	13,997	55,241	33,174	23,656	12,468
Net property (dispositions)/acquisitions	**(34,940)**	82	7	(3,249)	(15,924)	175	9	17
Average wellhead price ($/boe)	**17.52**	21.76	19.81	24.77	26.53	24.69	24.82	25.18
Petroleum and natural gas sales	**38,094**	44,941	41,597	51,543	55,451	50,838	54,080	54,040
Cash provided by operations	**9,919**	21,106	8,877	40,879	10,533	22,878	19,095	31,304
Adjusted funds flow (note 1)	**12,400**	16,086	16,664	22,513	25,771	23,712	20,107	21,804
Per share – basic	**0.08**	0.11	0.11	0.15	0.17	0.16	0.13	0.14
– diluted	**0.08**	0.11	0.11	0.15	0.17	0.16	0.13	0.14
Net (loss) income	**(191,909)**	(6,235)	(3,255)	15,375	6,186	18,771	(939)	(9,181)
Per share – basic	**(1.27)**	(0.04)	(0.02)	0.10	0.04	0.12	(0.01)	(0.06)
– diluted	**(1.27)**	(0.04)	(0.02)	0.10	0.04	0.12	(0.01)	(0.06)

Note 1 – Non-IFRS measure. See "Non-IFRS Measures" contained within this MD&A.

The Company reduced capital spending in 2018 and 2019 as compared to 2017, due to weakening Canadian natural gas prices over the past three years. As a result, the Company's net capital expenditures, after proceeds from acquisitions and dispositions, have approximated adjusted funds flow over this period, effectively maintaining production at a consistent level.

The significant fluctuations in commodity prices have impacted cash provided by operating activities, adjusted funds flow and net income (loss). The Company has reduced the financial impact of volatile commodity prices by entering into derivative and physical risk management contracts which can cause significant fluctuations in income due to unrealized gains and losses recognized on a quarterly basis. Crew has also attempted to mitigate the lower price environment by reducing its controllable costs and achieve operational efficiencies. Despite these efforts, cash flow from operations used to fund the Company's capital program has been impacted.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's internal controls over financial reporting that occurred during the period beginning on January 1, 2020 and ended on March 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No material changes in the Company's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

Dated as of May 7, 2020

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (thousands)	**March 31, 2020**	December 31, 2019
Assets		
Current Assets:		
Accounts receivable	**$ 17,546**	$ 26,994
Derivative financial instruments (note 4)	**17,795**	3,180
Assets held for sale	**-**	19,845
	35,341	50,019
Property, plant and equipment (note 5)	**1,132,723**	1,401,628
	$ 1,168,064	$ 1,451,647
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 28,087**	$ 45,949
Derivative financial instruments (note 4)	**276**	-
Liabilities associated with assets held for sale	**-**	741
	28,363	46,690
Bank loan (note 7)	**31,049**	52,136
Senior unsecured notes (note 8)	**296,113**	295,868
Lease obligations (note 9)	**2,734**	2,708
Decommissioning obligations (note 10)	**86,241**	87,024
Deferred tax liability	**-**	53,563
Shareholders' Equity		
Share capital (note 11)	**1,478,597**	1,478,294
Contributed surplus	**73,156**	71,644
Deficit	**(828,189)**	(636,280)
	723,564	913,658
Subsequent event (note 4)		
Commitments (note 14)		
	$ 1,168,064	$ 1,451,647

See accompanying notes to the condensed interim consolidated financial statements.

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

(unaudited) (thousands, except per share amounts)		**Three months ended March 31, 2020**		Three months ended March 31, 2019
Revenue				
Petroleum and natural gas sales (note 12)	**$**	**38,094**	$	55,451
Royalties		**(2,164)**		(3,864)
Realized gain (loss) on derivative financial instruments		**3,800**		(1,837)
Unrealized gain (loss) on derivative financial instruments		**14,339**		(10,880)
Other revenue (note 12)		**872**		4,240
		54,941		43,110
Expenses				
Operating		**13,114**		13,955
Transportation		**6,971**		4,717
Marketing		**-**		414
General and administrative		**2,498**		3,146
Share-based compensation		**918**		1,834
Depletion and depreciation (note 5)		**19,514**		19,828
		43,015		43,894
Income (loss) from operations		**11,926**		(784)
Financing (note 13)		**6,002**		6,466
Impairment on property, plant and equipment (note 6)		**267,334**		-
Gain on divestiture of property, plant and equipment (note 5)		**(15,938)**		(16,789)
(Loss) income before income taxes		**(245,472)**		9,539
Deferred tax (recovery) expense		**(53,563)**		3,353
Net (loss) income and comprehensive (loss) income	**$**	**(191,909)**	$	6,186
Net (loss) income per share (note 11)				
Basic	**$**	**(1.27)**	$	0.04
Diluted	**$**	**(1.27)**	$	0.04

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited) (thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2020	151,534	$ 1,478,294	$ 71,644	$ (636,280)	$ 913,658
Net loss for the period	-	-	-	(191,909)	(191,909)
Share-based compensation expensed	-	-	918	-	918
Share-based compensation capitalized	-	-	897	-	897
Issued from treasury on vesting of share awards	143	286	(286)	-	-
Released from trust on vesting of share awards	15	17	(17)	-	-
Balance, March 31, 2020	**151,692**	**$ 1,478,597**	**$ 73,156**	**$ (828,189)**	**$ 723,564**

(unaudited) (thousands)	Number of shares, net of shares in trust	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance, January 1, 2019	151,730	$ 1,468,986	$ 75,715	$ (648,351)	$ 896,350
Net income for the period	-	-	-	6,186	6,186
Share-based compensation expensed	-	-	1,834	-	1,834
Share-based compensation capitalized	-	-	1,680	-	1,680
Issued on vesting of share awards	580	1,327	(1,327)	-	-
Change in shares held in trust	(1,756)	(2,000)	-	-	(2,000)
Balance, March 31, 2019	**150,554**	**$ 1,468,313**	**$ 77,902**	**$ (642,165)**	**$ 904,050**

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Cash provided by (used in):		
Operating activities:		
Net (loss) income	**$ (191,909)**	$ 6,186
Adjustments:		
Unrealized (gain) loss on derivative financial instruments	**(14,339)**	10,880
Share-based compensation	**918**	1,834
Depletion and depreciation (note 5)	**19,514**	19,828
Financing expenses (note 13)	**6,002**	6,466
Interest expense (note 13)	**(5,374)**	(5,742)
Impairment on property, plant and equipment (note 6)	**267,334**	-
Gain on divestiture of property, plant and equipment (note 5)	**(15,938)**	(16,789)
Deferred tax (recovery) expense	**(53,563)**	3,353
Decommissioning obligations settled (note 10)	**(81)**	(1,764)
Change in non-cash working capital	**(2,645)**	(13,719)
	9,919	10,533
Financing activities:		
Decrease in bank loan	**(21,087)**	(19,839)
Payments on lease obligations (note 9)	**(191)**	(268)
Shares purchased and held in trust (note 11)	**-**	(2,000)
	(21,278)	(22,107)
Investing activities:		
Property, plant and equipment expenditures (note 5)	**(18,029)**	(55,241)
Property acquisitions (note 5)	**(4)**	(1,576)
Property dispositions (note 5)	**34,944**	17,500
Change in non-cash working capital	**(5,552)**	50,891
	11,359	11,574
Change in cash and cash equivalents	**-**	-
Cash and cash equivalents, beginning of period	**-**	-
Cash and cash equivalents, end of period	**$ -**	$ -

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019

(Unaudited) (Tabular amounts in thousands)

1. Reporting entity:

Crew Energy Inc. ("Crew" or the "Company") is an oil and gas exploration, development and production company based in Calgary, Alberta, Canada. Crew conducts its operations in the Western Canada Sedimentary Basin, primarily in the provinces of British Columbia, Saskatchewan and Alberta. The condensed interim consolidated financial statements (the "financial statements") of the Company are comprised of the accounts of Crew and its wholly owned subsidiary, Crew Oil and Gas Inc., which is incorporated in Canada, and two partnerships, Crew Energy Partnership and Crew Heavy Oil Partnership. Crew's principal place of business is located at Suite 800, 250 – 5th Street SW, Calgary, Alberta, Canada, T2P 0R4.

2. Basis of preparation:

These financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards ("IFRS"). The financial statements use the accounting policies which the Company applied in its annual consolidated financial statements for the year ended December 31, 2019. The financial statements do not include certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted. These financial statements are presented in Canadian dollars ("CDN"), which is the functional currency of the Company, its subsidiary and partnerships.

The financial statements were authorized for issuance by Crew's Board of Directors on May 7, 2020.

3. COVID-19 estimation uncertainty:

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus ("COVID-19"). The outbreak and subsequent measures intended to limit the pandemic contributed to significant declines and volatility in financial markets. The pandemic adversely impacted global commercial activity, including significantly reducing worldwide demand for crude oil. Crude oil prices have also been severely impacted by increased global supply due to disagreements over production restrictions between the Organization of Petroleum Exporting Countries ("OPEC") and non-OPEC members, primarily Saudi Arabia and Russia. Natural gas prices have also been very volatile throughout the period, but in recent months the forward curve for both AECO and NYMEX has been strengthening which has helped to offset some of the impact of the significant decrease in liquids prices.

The full extent of the impact of COVID-19 on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact. The outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by Management in the preparation of its financial results.

The Company's operations and business are particularly sensitive to a reduction in the demand for and prices of commodities, including crude oil and natural gas which are closely linked to Crew's financial performance. The potential direct and indirect impacts of the economic downturn have been considered in management's estimates and assumptions at period end and have been reflected in the Company's results with any significant changes described in the relevant financial statement note.

The COVID-19 pandemic is an evolving situation that will continue to have widespread implications for the Company's business environment, operations and financial condition. Management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Company's financial statements in fiscal 2020.

A full list of the key sources of estimation uncertainty can be found in the Company's annual consolidated financial statements for the year ended December 31, 2019. The outbreak and current market conditions have increased the complexity of estimates and assumptions used to prepare the financial statements, particularly related to the following key sources of estimation uncertainty:

Recoverable Amounts

Determining the recoverable amount of a cash-generating unit ("CGU") or an individual asset requires the use of estimates and assumptions, which are subject to change as new information becomes available. The severe drop in commodity prices, due to reasons noted above, have increased the risk of measurement uncertainty in determining the recoverable amounts, especially estimating economic crude oil and natural gas reserves and estimating forward commodity prices.

Decommissioning Costs

Provisions are recorded for the future decommissioning and restoration of the Company's production facilities, wells and pipelines at the end of their economic lives. Management uses judgment to assess the existence and to estimate the future liability. Market volatility at March 31, 2020 increased the measurement uncertainty inherent in determining the appropriate discount rate that is used in the estimation of decommissioning liabilities.

Income Tax Provisions

Income taxes on earnings or loss in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual earnings or loss. In the current economic environment the expected total annual earnings or expected earnings is subject to measurement uncertainty. Changes to these assumptions could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and the utilization of deferred tax assets, along with sufficient profit that will be realized to utilize these assets.

Accounts Receivable

The Company has increased its monitoring of receivables due from petroleum and natural gas marketers and from joint venture partners to manage credit risk. The Company historically has not experienced any collection issues with petroleum and natural gas marketers as a significant portion of these receivables are with creditworthy purchasers. To protect against credit losses from joint venture partners, the Company has the ability to withhold production in the event of non-payment and the ability to obtain the partners' share of capital expenditures in advance of a project. The Company continues to expect that its receivables are substantially collectible at March 31, 2020.

4. Financial risk management:

Derivative contracts:

It is the Company's policy to hedge a portion of its petroleum and natural gas sales through the use of various financial derivative forward sales contracts and physical sales contracts. The Company does not apply hedge accounting for these contracts. The Company's production is usually sold using "spot" or near term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price. The Company, however, may give consideration in certain circumstances to the appropriateness of entering into fixed price marketing contracts. The Company does not enter into commodity contracts other than to meet the Company's expected sale requirements.

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

At March 31, 2020, the Company held derivative commodity contracts as follows:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded	Fair Value
Gas	10,000 mmbtu/day	April 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Monthly	$3.34/mmbtu	Swap	$ 2,249
Gas	2,500 mmbtu/day	April 1, 2020 – December 31, 2020	CDN$ Chicago Citygate Daily	$3.23/mmbtu	Swap	481
Gas	2,500 mmbtu/day	April 1, 2020 – December 31, 2020	US$ Nymex Henry Hub	$2.48/mmbtu	Swap	382
Gas	2,500 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Monthly	$3.17/mmbtu	Swap	(127)
Gas	5,000 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Daily	$3.18/mmbtu	Swap	(241)
Oil	250 bbl/day	April 1, 2020 – June 30, 2020	CDN$ WTI	$75.50/bbl	Swap	907
Oil	250 bbl/day	April 1, 2020 – June 30, 2020	USD$ WCS – WTI Differential	($17.25)/bbl	Swap	(93)
Oil	500 bbl/day	April 1, 2020 – June 30, 2020	CDN$ WCS	$52.25/bbl	Swap	1,669
Oil	1,000 bbl/day	April 1, 2020 – December 31, 2020	CDN$ WTI	$77.65/bbl	Swap	9,672
Oil	250 bbl/day	May 1, 2020 – June 30, 2020	CDN$ WTI	$38.00/bbl	Swap	2
Oil	250 bbl/day	July 1, 2020 – September 30, 2020	USD$ WCS – WTI Differential	($16.00)/bbl	Swap	(40)
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WTI	$76.00/bbl	Swap	1,387
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	USD$ WCS – WTI Differential	($15.60)/bbl	Swap	2
Oil	250 bbl/day	July 1, 2020 – December 31, 2020	CDN$ WCS	$51.50/bbl	Swap	1,269
Total						**$ 17,519**

Subsequent to March 31, 2020, the Company entered into the following commodity contracts:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded
Gas	2,500 mmbtu/day	November 1, 2020 – October 31, 2021	CDN$ Chicago Citygate Daily	$3.36/mmbtu	Swap
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Monthly Index	$2.05/gj	Swap
Gas	2,500 gj/day	April 1, 2021 – October 31, 2021	AECO C Daily Index	$2.35/gj	Swap
Oil	250 bbl/day	April 1, 2020 – June 30, 2020	CDN$ WTI	$39.20/bbl	Swap
Oil	250 bbl/day	May 1, 2020 – June 30, 2020	CDN$ WTI	$41.00/bbl	Swap

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable, financial instruments, the bank loan and the senior unsecured notes. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period. Accounts payable and financial instruments have contractual maturities of less than one year. The Company maintains a revolving credit facility, as outlined in note 7, which is subject to annual renewal by the lenders and has a contractual maturity in 2021 if not extended. In addition, the Company issued $300 million in senior unsecured notes in 2017 that are scheduled to mature in 2024, as discussed in note 8.

The Company maintains and monitors cash flow which is used to partially finance operating and capital expenditures. The Company does not pay dividends.

Capital management:

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

In the current depressed and volatile commodity price environment, Crew plans to limit capital expenditures. With only 13% drawn on the Company's $235 million Facility and the senior unsecured notes termed out to 2024, the Company's financial position remains strong, with sufficient liquidity to fund the Company's on-going operations. The Company will continue to monitor debt levels and, if necessary, it will consider divesting of non-core properties, will further adjust its annual capital expenditure program or may consider other forms of financing to further strengthen its financial position.

Net debt:

The Company closely monitors its capital structure with a goal of maintaining a strong financial position in order to fund current operations and the future growth of the Company. Crew monitors net debt as part of its capital structure.

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

		March 31, 2020		December 31, 2019
Current assets	**$**	**35,341**	$	50,019
Current liabilities		**(28,363)**		(46,690)
Derivative financial instruments		**(17,519)**		(3,180)
Working capital (deficiency) surplus	**$**	**(10,541)**	$	149
Bank loan		**(31,049)**		(52,136)
Senior unsecured notes		**(296,113)**		(295,868)
Net debt	**$**	**(337,703)**	$	(347,855)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Facility is subject to a semi-annual review of the Borrowing Base which is directly impacted by the value of the oil and natural gas reserves (Bank loan – note 7).

Funds from operations and adjusted funds flow:

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

		Three months ended March 31, 2020		Three months ended March 31, 2019
Cash provided by operating activities	**$**	**9,919**	$	10,533
Change in operating non-cash working capital		**2,645**		13,719
Accretion of deferred financing costs		**(245)**		(245)
Funds from operations	**$**	**12,319**	$	24,007
Decommissioning obligations settled		**81**		1,764
Adjusted funds flow	**$**	**12,400**	$	25,771

5. Property, plant and equipment:

Cost		Total
Balance, January 1, 2019	$	2,523,981
Additions		114,094
Acquisitions		1,570
Increase in right-of-use assets		3,974
Transfer to assets held for sale		(21,824)
Divestitures		(1,300)
Change in decommissioning obligations		686
Capitalized share-based compensation		4,897
Balance, December 31, 2019	$	2,626,078
Additions		18,029
Acquisitions		4
Divestitures		(672)
Change in decommissioning obligations		(628)
Capitalized share-based compensation		897
Balance, March 31, 2020	**$**	**2,643,708**

Accumulated depletion and depreciation		Total
Balance, January 1, 2019	$	1,150,962
Depletion and depreciation expense		75,776
Divestitures		(309)
Transfer to assets held for sale		(1,979)
Balance, December 31, 2019	$	1,224,450
Depletion and depreciation expense		19,514
Divestitures		(313)
Impairment		267,334
Balance, March 31, 2020	**$**	**1,510,985**

Net book value		Total
Balance, March 31, 2020	**$**	**1,132,723**
Balance, December 31, 2019	$	1,401,628

The calculation of depletion and depreciation expense for the three months ended March 31, 2020 included estimated future development costs of $1,787.2 million (December 31, 2019 - $1,787.2 million) associated with the development of the Company's proved plus probable reserves and excludes salvage value of $69.4 million (December 31, 2019 - $70.6 million) and undeveloped land of $155.2 million (December 31, 2019 - $155.7 million) related to future development acreage with no associated reserves.

Included in depletion and depreciation expense for the three months ended March 31, 2020, is $0.1 million (December 31, 2019 - $0.9 million) related to the right-of-use assets for the Company's leases. As at March 31, 2020, the net book value of these right-of-use assets is $2.9 million (December 31, 2019 - $3.0 million).

During the first quarter of 2020, the Company disposed of an 11% net working interest in each of its Septimus gas processing facility and West Septimus gas processing facility located in Northeast British Columbia for net proceeds of $34.8 million, after transaction costs. These facilities were classified as held for sale as at December 31, 2019, with a net book value of $19.8 million and associated decommissioning obligations of $0.7 million, resulting in a gain of $15.7 million.

6. Impairment:

	Three months ended March 31, 2020	Year ended December 31, 2019
Impairment losses:		
property, plant and equipment	**$ 267,334**	$ -
	$ 267,334	$ -

Assessment:

At March 31, 2020, the Company determined that indicators of impairment existed as a result of; the COVID-19 outbreak and its impact on global commodity demand due to the measures taken to limit the spread of the pandemic, the rapid fall in crude oil prices due to increased supply brought on by a price war between OPEC and non-OPEC members, and the impact that these events had on the Company's equity and debt values. As a result, the Company tested its northeast British Columbia CGU and Lloydminster CGU for impairment. It was determined that the carrying value of the northeast British Columbia CGU and Lloydminster CGU exceeded their recoverable amounts and impairment charges of $237.5 million and $29.8 million, respectively, were recorded for the CGUs.

For the purpose of impairment testing, the recoverable amount of the Company's CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is generally the future cash flows expected to be derived from production of proven and probable reserves estimated by the Company's third party reserve evaluators and the internally estimated future cash flows of undeveloped lands. At March 31, 2020, the Company used value in use, discounted at pre-tax rates between 10% and 30% (December 31, 2019 – 10% and 30%) dependent on the risk profile of the reserve category and CGU.

Impairment reversals are recognized to the extent that impairment had been previously recorded, but are limited to the net book value that would exist had the original impairment never been recorded, including estimates for depletion.

The following estimates were used in determining whether an impairment or reversal to the carrying value of the CGU existed at March 31, 2020:

	WTI Oil (US$/bbl)[1]	WCS ($CDN/bbl)[1]	AECO Gas ($CDN/mmbtu)[1]	$US/$CDN)[1]
2020	30.00	20.13	1.78	0.70
2021	41.18	34.78	2.23	0.73
2022	49.88	45.91	2.42	0.75
2023	55.87	52.70	2.54	0.75
2024	57.98	55.26	2.61	0.75
2025	59.22	56.63	2.69	0.75
2026	60.40	57.86	2.75	0.75
2027	61.60	59.10	2.81	0.75
2028	62.84	60.38	2.87	0.75
2029	64.10	61.68	2.93	0.75
Remainder	+2.0%/yr	+2.0%/yr	+2.0%/yr	0.75 thereafter

(1) Source: 4 Consultants' average, GLJ Petroleum Consultants, McDaniel & Associates Consultants, Sproule Associates and Deloitte Resource Evaluation & Advisory price forecasts, effective April 1, 2020.

The external reserve evaluators also assess many other financial assumptions regarding royalty rates, operating costs and future development costs along with several other non-financial assumptions that affect reserve volumes. Management considered these assumptions for the impairment test at March 31, 2020, however, it should be noted that all estimates are subject to uncertainty.

The sensitivity analysis below shows the impact that a change in the discount rate or forward commodity prices would have on impairment testing for each CGU:

	Discount Rate		Pricing	
	1% decrease	1% increase	5% decrease	5% increase
Increase (decrease) to impairment recorded	62,939	(72,896)	(106,192)	87,673

7. Bank loan:

As at March 31, 2020, the Company's bank facility consists of a revolving line of credit of $210 million and an operating line of credit of $25 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 4, 2020. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 per cent and all outstanding advances thereunder will become repayable in one year from the extension date. The available lending limits of the Facility (the "Borrowing Base") are reviewed semi-annually and are based on the bank syndicate's interpretation of the Company's reserves and future commodity prices. The Facility requires the Company to maintain a Liability Management Rating ("LMR") of greater than 1.2:1 in the provinces of Alberta and Saskatchewan, and greater than 2.0:1 in the province of British Columbia, if the uninflated, undiscounted abandonment and reclamation liabilities ("Decommissioning Obligations"), as determined by the individual province, is greater than $20 million. If the LMR falls below the required level in any province, the lenders have the option to re-determine the Borrowing Base. As at March 31, 2020, the Company's Decommissioning Obligations exceeded $20 million in the provinces of Alberta and British Columbia, which carried an LMR of 1.8:1 and 7.8:1, respectively. There can be no assurance that the amount of the available Facility will not be adjusted at the next scheduled Borrowing Base review on or before June 4, 2020. The Facility is secured by a floating charge debenture and a general securities agreement on all the assets of the Company.

Advances under the Facility are available by way of prime rate loans with interest rates between 0.50 percent and 2.50 percent over the bank's prime lending rate and bankers' acceptances and LIBOR loans, which are subject to stamping fees and margins ranging from 1.50 percent to 3.50 percent depending upon the debt to EBITDA ratio of the Company calculated at the Company's previous quarter end. Standby fees are charged on the undrawn Facility at rates ranging from 0.338 percent to 0.788 percent depending upon the debt to EBITDA ratio. As at March 31, 2020, the Company's applicable pricing included a 0.80 percent margin on prime lending, a 1.80 percent stamping fee and margin on bankers' acceptances and LIBOR loans along with a 0.405 percent per annum standby fee on the portion of the Facility that is not drawn. Borrowing margins and fees are reviewed annually as part of the bank syndicate's annual renewal.

At March 31, 2020, the Company had issued letters of credit totaling $12.0 million (December 31, 2019 - $11.4 million).

8. Senior unsecured notes:

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

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

Year(1)	Percentage
2020	103.250%
2021	102.145%
2022	101.040%
2023 and thereafter	100.000%

(1) For the 12 month period beginning on March 14 of each year.

Upon the occurrence of a change of control, the Company will be required to offer to repurchase each holder's notes at a price equal to not less than 101% of the principal amount, plus any accrued and unpaid interest.

At March 31, 2020, the carrying value of the 2024 Notes was net of deferred financing costs of $3.9 million (December 31, 2019 – $4.1 million).

9. Lease obligations:

	As at March 31, 2020	As at December 31, 2019
Less than 1 year	$ 72	$ 290
1 – 3 years	426	244
After 3 years	2,665	2,847
Total undiscounted future lease payments	$ 3,163	$ 3,381
Total undiscounted future interest payments	(459)	(485)
Present value of lease obligations	$ 2,704	$ 2,896
Current portion of lease obligations, included in accounts payable and accrued liabilities	30	(188)
Long-term portion of lease obligations	$ 2,734	$ 2,708

	Three months ended March 31, 2020	Year ended December 31, 2019
Principal payments	$ 191	$ 1,071
Interest payments	26	100
Total cash outflow	$ 217	$ 1,171

The Company's total undiscounted future lease payments of $3.2 million equate to future operating lease obligations and excludes commitments for firm transportation and processing agreements, as disclosed in note 14, as they do not meet the definition of a lease as the Company does not control the asset or receive substantially all of the asset's economic benefits.

10. Decommissioning obligations:

	Three months ended March 31, 2020	Year ended December 31, 2019
Decommissioning obligations, beginning of period	$ 87,024	$ 89,448
Obligations incurred	453	3,481
Obligations settled	(81)	(3,919)
Obligations divested	(457)	(351)
Change in estimated future cash outflows	(1,081)	(2,795)
Accretion of decommissioning obligations	383	1,901
Transferred to liabilities associated with assets held for sale	-	(741)
Decommissioning obligations, end of period	$ 86,241	$ 87,024

The Company's decommissioning obligations result from its ownership interest in oil and natural gas assets, including well sites and facilities. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be $86.2 million as at March 31, 2020 (December 31, 2019 – $87.0 million) based on an inflation adjusted undiscounted total future liability of $107.3 million (December 31, 2019 – $110.1 million). These payments are expected to be made over the next 40 years, with the majority of costs to be incurred between 2024 and 2036. The inflation rate applied to the liability is 1.35% (December 31, 2019 – 1.35%). The discount factor, being the risk-free rate related to the liability, is 1.76% (December 31, 2019 – 1.76%). The $1.1 million (December 31, 2019 – $2.8 million) change in estimated future cash outflows for the three months ended March 31, 2020 is a result of a change in future estimated undiscounted abandonment costs.

11. Share capital:

At March 31, 2020, the Company was authorized to issue an unlimited number of common shares with the holders of common shares entitled to one vote per share.

Restricted and performance award incentive plan:

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

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

Subsequent to May 21, 2018, being the third anniversary from the date the Company last obtained approval from shareholders for the continued issuance of common shares from treasury under the RPAP, the Company is no longer eligible to issue common shares from treasury to settle the award value of any newly granted RAs and PAs. The Company remains eligible to settle the award value for any such grants either in cash or in common shares acquired by an independent trustee in the open market for such purposes. Common shares acquired in the open market are held in trust for the potential future settlement of award values and are netted out of share capital, including the cumulative purchase cost, until they are distributed for future settlements. For the three months ended March 31, 2020, the trustee did not purchase any common shares and as at March 31, 2020, holds 4,723,000 common shares in trust.

Upon the vesting of 47,000 RAs and 74,000 PAs, when taking into account the earned multipliers for PAs, 143,000 common shares of the Company were issued from treasury and 15,000 common shares were released from trust in settlement of such awards for the three months ended March 31, 2020.

The number of RAs and PAs outstanding are as follows:

	Number of RAs	Number of PAs
Balance, January 1, 2020	3,613	4,172
Granted	9	2
Vested	(47)	(74)
Forfeited	(175)	(107)
Balance, March 31, 2020	**3,400**	**3,993**

Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the three month period ended March 31, 2020 was 151,586,000 (March 31, 2019 – 151,688,000).

In computing diluted earnings per share, the Company considers the dilutive impact of RAs and PAs that can be settled with shares from treasury, as settlement of these RAs and PAs results in incremental shares being issued. For the three month period ended March 31, 2020, nil (March 31, 2019 – 1,570,000) shares were added to the weighted average common shares outstanding to account for the dilution of RAs and PAs that will be settled with shares from treasury. For the three month period ended March 31, 2020, there were 3,566,000 (March 31, 2019 – 6,788,000) RAs and PAs that can be settled with shares from treasury that were not included in the diluted earnings per share calculation because they were anti-dilutive.

12. Revenue:

Petroleum and natural gas sales:

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

Crude oil, condensate and ngl are sold under contracts of varying terms of up to one year. The majority of the Company's natural gas is sold on multi-year contracts. Revenues are typically collected on the 25th day of the month following production.

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

	Three months ended March 31, 2020	Three months ended March 31, 2019
Light crude oil	**$ 878**	$ 1,240
Heavy crude oil	**2,788**	6,404
Natural gas liquids	**1,012**	1,974
Condensate	**16,665**	14,642
Natural gas	**16,751**	31,191
	$ 38,094	$ 55,451

Other revenue:

The following table summarizes the Company's other revenue:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Marketing revenue	**$ 233**	$ 3,340
Processing revenue	**639**	900
	$ 872	$ 4,240

13. Financing:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Interest expense	**$ 5,374**	$ 5,742
Accretion of deferred financing costs	**245**	245
Accretion of decommissioning obligations	**383**	479
	$ 6,002	$ 6,466

14. Commitments:

	Total	2020	2021	2022	2023	2024	Thereafter
Firm transportation agreements	$ 228,181	$ 35,979	$ 42,929	$ 30,875	$ 26,032	$ 25,541	$ 66,825
Firm processing agreements	153,531	14,332	15,536	15,536	15,536	15,570	77,021
Total	**$ 381,712**	**$ 50,311**	**$ 58,465**	**$ 46,411**	**$ 41,568**	**$ 41,111**	**$143,846**

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

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

DIRECTORS & OFFICERS

OFFICERS

Dale O. Shwed
President and Chief Executive Officer

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

James Taylor
Chief Operating Officer

Jamie L. Bowman
Senior Vice President, Marketing & Originations

Kurtis Fischer
Vice President, Planning & Development

Paul Dever
Vice President, Government & Stakeholder Relations

Kevin G. Evers
Vice President, Geosciences

Mark Miller
Vice President, Land & Negotiations

BOARD OF DIRECTORS

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Chairman Independent Director

Jeffery E. Errico,
Lead Director Independent Director

Dennis L. Nerland
Independent Director

Karen A. Nielsen
Independent Director

Ryan A. Shay
Independent Director

Dale O. Shwed
President, Crew Energy Inc.

David G. Smith
Independent Director

Corporate Secretary

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

ABBREVIATIONS

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