interim report

Q3 2015

third quarter ending September 30, 2015

crew energy inc.

Crew Energy Inc. (TSX: CR) of Calgary, Alberta ("Crew" or the "Company") is pleased to provide our operating and financial results for the three and nine month periods ended September 30, 2015.

THIRD QUARTER HIGHLIGHTS

- Produced an average 16,773 boe per day for the quarter, 5% lower than the second quarter of 2015 resulting from Crew's decision to preserve value by shutting in approximately 8,000 boe per day for most of the quarter due to extremely weak natural gas pricing in Northeast British Columbia ("NE BC") caused by multiple planned and unplanned pipeline service restrictions and curtailments;

- Generated funds from operations of $17.3 million or $0.12 per share, which reflects the curtailed production volumes and reduced commodity prices, supported by hedging gains of $6.17 per boe and significantly lower cash costs;

- Reduced cash costs in the third quarter by 35% compared to the same period in 2014, highlighted by a 76% reduction in royalties, a 23% reduction in operating costs per boe, and a 12% reduction in G&A per boe. Costs on a per boe basis also declined compared to the second quarter of 2015, as royalties were down 12%, operating costs declined 4% and G&A declined by 7%;

- Continued to outperform operationally at West Septimus with natural gas productivity and condensate rates tracking materially higher than forecasted in our 2014 reserve report. Substantial incremental production volumes are waiting to be brought on line, over and above shut in production at Septimus, as the Company has an estimated 20,000 boe per day of deliverability from 21 Montney wells drilled and completed plus 11 Montney wells drilled and uncompleted;

- Completed and production tested Crew's first Lower Montney exploratory well early in the fourth quarter which at the end of an eight day flow and clean-up period was flowing at a rate of 7.4 mmcf per day with 147 bbls per day of wellhead condensate at a flowing casing pressure of 1,120 psi;

- Completed and production tested three new Montney wells at West Septimus with average per well production rates of 6.0 mmcf per day and 270 bbls per day of wellhead condensate and completed and tested two additional wells at Septimus with average per well production rates of 8.3 mmcf per day and 120 bbls per day of wellhead condensate over a four to eight day period;

- Successfully brought the new 60 mmcf per day West Septimus facility on stream in early August at a planned 30 mmcf per day, with the plant seamlessly processing volumes from six producing wells. Facility throughput is planned to increase to 40 mmcf per day to meet our forecast exit production guidance of over 26,000 boe per day when Crew's natural gas sales market diversification occurs on December 1, 2015;

- Closed an innovative petroleum and natural gas rights exchange with the Province of BC which brought Crew's total Montney acreage position to approximately 474 net sections, and increased our Montney Economic Contingent Resource estimate by approximately 12% to 8.3 Tcfe;

- Sold a non-core heavy oil asset package in Lloydminster for proceeds of $50.1 million, which further bolstered the Company's balance sheet and financial flexibility;

- Achieved 5% improvement in net debt at the end of the third quarter over the second quarter which totaled $216 million and was 15% lower than the year-end 2014 net debt; and

- Confirmed with the Company's lenders a borrowing base of $250 million and forecast a year end draw on the facility of less than 25%, inclusive of working capital deficit.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Petroleum and natural gas sales	**34,784**	96,879	**119,402**	353,129
Funds from operations(1)	**17,273**	39,023	**62,762**	138,557
Per share - basic	**0.12**	0.32	**0.46**	1.14
- diluted	**0.12**	0.31	**0.46**	1.12
Net income (loss)	**(18,179)**	(195,389)	**(47,188)**	(321,290)
Per share - basic	**(0.13)**	(1.60)	**(0.34)**	(2.63)
- diluted	**(0.13)**	(1.60)	**(0.34)**	(2.63)
Exploration and Development expenditures	**58,565**	106,405	**204,351**	225,328
Property acquisitions (net of dispositions)	**(50,281)**	(141,796)	**(48,797)**	(254,379)
Net capital expenditures	**8,284**	(35,391)	**155,554**	(29,051)

Capital Structure ($ thousands)	**As at Sept. 30, 2015**	As at Dec. 31, 2014
Working capital deficiency(2)	**38,236**	57,722
Net assets held for sale(3)	**(36,873)**	-
Bank loan	**67,731**	49,904
	69,094	107,626
Senior Unsecured Notes	**146,564**	146,110
Total Net Debt	**215,658**	253,736
Current Debt Capacity(4)	**400,000**	430,000
Common Shares Outstanding (thousands)	**141,052**	123,429

Notes:

(1) Funds from operations 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. Funds from operations is used to analyze the Company's operating performance and leverage. Funds from operations does not have a standardized measure prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures for other companies.

(2) Working capital deficiency includes accounts receivable less accounts payable and accrued liabilities.

(3) Net assets held for sale reflects the amounts reclassified from property, plant and equipment and decommissioning obligations for the assets less liabilities associated with the West Septimus facility disposition.

(4) Current Debt Capacity reflects the bank facility of $250 million plus $150 million in senior unsecured notes outstanding.

OPERATING	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Daily production				
Light oil (bbl/d)	**336**	262	**475**	154
Heavy oil (bbl/d)	**3,741**	5,642	**4,167**	5,907
Natural gas liquids (bbl/d)	**2,233**	1,377	**2,212**	1,532
Natural gas (mcf/d)	**62,778**	61,556	**65,755**	60,903
Subtotal (boe/d @ 6:1)	**16,773**	17,540	**17,813**	17,743
Properties Sold (boe/d)(1)	**-**	3,306	**-**	7,586
Total (boe/d)	**16,773**	20,846	**17,813**	25,329
Average prices(2)				
Light oil ($/bbl)	**51.29**	87.58	**54.14**	90.48
Heavy oil ($/bbl)	**38.49**	79.78	**42.35**	76.37
Natural gas liquids ($/bbl)	**30.62**	55.45	**31.54**	61.59
Natural gas ($/mcf)	**2.37**	4.35	**2.52**	5.22
Oil equivalent ($/boe)	**22.54**	50.51	**24.55**	51.07
Netback ($/boe)(3)				
Revenue	**22.54**	50.51	**24.55**	51.07
Royalties	**(2.32)**	(9.54)	**(2.32)**	(10.15)
Realized commodity hedging gain/(loss)	**6.17**	(3.13)	**6.14**	(3.87)
Operating costs	**(8.47)**	(11.04)	**(8.86)**	(11.04)
Transportation costs	**(1.91)**	(1.64)	**(1.88)**	(1.44)
Operating netback(4)	**16.01**	25.16	**17.63**	24.57
G&A	**(2.06)**	(2.35)	**(2.16)**	(2.12)
Interest on long-term debt	**(2.77)**	(2.46)	**(2.57)**	(2.40)
Funds from operations	**11.18**	20.35	**12.90**	20.05
Drilling Activity				
Gross wells	**15**	23	**27**	53
Working interest wells	**13.7**	22.1	**25.4**	49.4
Success rate, net wells (%)	**100%**	96%	**100%**	98%

Notes:

(1) Third quarter 2014 amounts are net of 3,306 boe/d of production volumes sold during Q3 2014, including 2,609 bbls/d of oil, 73 bbls/d of natural gas liquids and 3,744 mcf/d of natural gas. Amounts for the nine months ended September 30, 2014 are net of 7,585 boe/d of production sold in the second and third quarters of 2014 including 3,028 bbls/d of oil, 958 bbls/d of natural gas liquids and 21,596 mcf/d of natural gas.

(2) Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments. Average prices for light oil, natural gas liquids and natural gas have been adjusted to reflect the impact of the production volumes sold as shown in Note 1.

(3) Netback figures for the three and nine months ended September 30, 2014 are as previously reported and have not been adjusted for Properties Sold.

(4) Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts less royalties, operating costs and transportation costs calculated on a boe basis. Operating netback and funds from operations netback do 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.

OVERVIEW

During the third quarter, Crew continued to deliver very positive operational and strategic results which included better than expected drilling results from West Septimus, the commissioning of our new West Septimus gas facility, the ongoing delineation of our core assets, and the successful completion of asset swaps and sales which directly support our Montney-focused strategy. This was achieved despite continued challenges for the energy industry, with ongoing negative macro factors impacting the sector.

Through our continued drilling and development in Septimus and West Septimus, Crew has built an extensive inventory of 21 completed and 11 uncompleted wellbores which will significantly increase overall production volumes when brought on line. Our recent West Septimus wells have exceeded area type wells yielding higher liquids content and gas rates, and we are encouraged by the test results from Crew's first Lower Montney well. This available productive capacity when combined with over 120 mmcf per day of gas processing capacity positions Crew favorably to manage transportation and processing commitments, meet production expectations, while reducing operating costs and controlling capital expenditures in a low price environment.

Crew's average production for the third quarter was 16,773 boe per day which was the result of the successful execution of our plan affected by regional pricing dynamics and transportation outages. An accidental third party downstream contamination of the Alliance pipeline forced a shut-in of natural gas totaling 61 mmcf per day at Crew's Septimus gas plant and 30 mmcf per day at the Company's West Septimus gas plant for six days. This disruption in combination with ongoing restrictions on other regional pipeline systems caused a bottleneck of production resulting in a significant deterioration of pricing for spot gas shipped on the Alliance and Spectra pipeline systems. The Company successfully commissioned and started-up our new West Septimus facility in August, which was brought on at half capacity with production from only six wells. We have continued to run the plant at its minimum operating capacity of 25 to 30 mmcf per day due to the weak regional pricing. As a further measure to preserve value, Crew restricted production volumes through our Septimus facility during the last two months of the quarter taking approximately 8,000 boe per day off line. Crew has taken out firm transportation commitment contracts that come into effect on December 1, 2015 which will allow shut-in and restricted production to be brought on line at that time or sooner should the CREC and Station 2 pricing differential narrow relative to AECO.

Crew's strategy involves proactively taking steps to mitigate the impact of commodity price volatility and ensuring the Company can generate funds from operations under a variety of scenarios. With the strategic and operational actions we undertook in the third quarter, Crew has demonstrated our commitment to value creation and that we are prepared to make short-term sacrifices to preserve long-term shareholder value.

FINANCIAL

Crew's third quarter funds from operations of $17.3 million ($0.12 per share) was 30% lower than the previous quarter, which directly relates to lower production volumes and weak realized pricing. Third quarter operating netbacks of $16.01 per boe were 21% lower than the previous quarter due to lower prices, which was partially offset by higher realized hedging gains and lower cash costs per boe.

North American oil prices weakened through the third quarter relative to the second quarter with the benchmark Canadian dollar denominated West Texas Intermediate ("WTI") price averaging $60.75 per barrel, a decrease of 15% over the previous quarter and 43% over the same quarter in 2014. The benchmark price for Canadian heavy oil, Western Canadian Select ("WCS"), was also significantly lower at $43.37 per barrel, a decrease of 24% quarter over quarter and 48% compared to the third quarter of 2014. Natural gas pricing at the Company's two sales points in NE BC, Alliance CREC and Spectra Station 2, continued to experience significant weakness. However, the Company's term sales on Alliance for 45,000 gj per day and our ability to actively move gas between the two markets contributed to Crew's realized price outperforming the benchmarks.

Efforts continued through the quarter to work with our service providers to achieve further cost improvements across the business. Operating costs and royalties per boe dropped by 4% and 12%, respectively compared to the second quarter and 23% and 76%, respectively compared to the same quarter in 2014. In the third quarter, we realized a gain on hedging of $9.5 million ($6.17 per boe), which compared to a loss of $6.0 million ($3.13 per boe) in the third quarter of 2014 and a gain of $9.0 million ($5.60 per boe) in the prior quarter. Crew has supported our ongoing financial stability by protecting a portion of our funds from operations for the balance of 2015 and into 2016 with additional hedging contracts outlined under 'Transportation and Marketing'.

The Company incurred a net loss of $18 million during the quarter as a result of reduced production and weak commodity prices. This loss included a non-cash impairment write-down of approximately $55 million recognized on the Company's Lloydminster heavy oil asset. This impairment was directly related to the decrease in the Company's reserve engineer's future commodity price estimate and had no impact on the Company's cash flow or credit facilities. Offsetting a large portion of the impairment was a $34 million gain recognized on the sale of certain non-core Lloydminster heavy oil properties.

Capital spending during the quarter totaled $58.6 million and was focused on continued drilling, completions and infrastructure build out in West Septimus, Septimus and Lloydminster. This amount included $27.2 million directed to drilling and completions and $28.9 million on facilities, equipment and pipelines, which was primarily related to the West Septimus facility and other area infrastructure development. Our debt levels further improved during the quarter due to the sale of a non-core Lloydminster heavy oil asset for $50.1 million. Net debt of $216 million was comprised of $150 million ($146.6 million net of deferred costs) of senior notes that mature in 2020 and $69 million of bank debt and working capital deficiency against a $250 million bank facility. The bank debt and working capital deficiency at September 30, 2015 included $37 million of assets held for sale reflecting the planned disposition of a 50% interest in the new West Septimus facility to one of our infrastructure partners, which closed after the quarter end in early October.

Subsequent to the end of the quarter, Crew's syndicate of lending banks performed a review of the Company's borrowing base which resulted in a nominal 4% change to the credit facility from $260 million to $250 million. Crew's ability to add a significant volume of proved developed producing reserves with the commissioning of our West Septimus facility while reducing capital and operating costs offset the reduction in the bank's commodity price forecast.

TRANSPORTATION AND MARKETING

Natural gas prices in the NE BC and Northwest Alberta regions suffered significant deterioration through the third quarter. Supply in this region continued to be strong at a time when multiple overlapping restrictions on regional pipelines negatively impacted pricing. In addition, scheduled and unscheduled maintenance issues at regional processing plants exacerbated the pipeline restrictions, significantly weakening Spectra Station 2 pricing and widening the Alliance CREC differential during the quarter.

Crew has taken steps over the past few quarters to position the Company to manage and mitigate the negative pricing environment. We have dual connectivity through our Septimus facility onto Spectra as well as Alliance, which in the third quarter of 2015 enabled Crew to ship natural gas from the extremely weak pricing environment on the Alliance system (which had periods of negative pricing) to the Spectra system where pricing was more favorable.

Effective December 1, 2015 Crew will be in a much stronger position, with 113 mmcf per day of firm transportation to move natural gas into alternate markets. Once these contracts take effect, approximately 40% of our natural gas will be priced off of Chicago Citygate, while 35% will be priced at AECO equivalent. Longer term, Crew has committed to expansions of takeaway capacity on both the Spectra and TCPL systems, positioning the Company for future growth and to continue actively managing our market price diversification.

Our risk management program has further provided protection against price volatility and helped to support our cash flows, as clearly evidenced in the third quarter as we recorded a hedging gain of $6.17 per boe. For the balance of 2015, we have currently hedged 37,500 gj per day of natural gas volumes at an average price of $3.68 per gj ($3.88 per mcf), 1,750 bbls per day of liquids volumes hedged at an average price of CDN$102.62 per bbl, and 2,250 bbls per day of WCS differentials locked in at CDN$21.36 per bbl. For 2016, Crew's total natural gas hedged position is 33,876 gj per day at a transportation adjusted AECO equivalent price of $2.93 per gj ($3.09 per mcf). For liquids, we have 251 bbls per day of liquids volumes hedged at an average price of CDN$78.25 per bbl, and on 249 bbls per day of WCS we have locked in differentials at US$14.95 per bbl.

OPERATIONS UPDATE

Septimus / West Septimus - Montney, NE BC

Crew's operational focus in the third quarter continued to be at Septimus / West Septimus with the successful commissioning of our new 60 mmcf per day West Septimus processing facility as well as continued drilling and completion operations on an expanding inventory of Montney liquids-rich natural gas wells. Crew drilled nine (7.7 net) and completed two (2.0 net) Montney liquids rich gas wells during the quarter with drilling and completions costs further declining to the $4.0 million per well level, a result of a sustainable 22% reduction in drilling days per well, plus additional service cost reductions. Crew has drilled 22 and completed 25 Montney wells to date in 2015 with an additional 11 wells uncompleted. Based on the encouraging initial well data, the Company currently anticipates these wells would have a combined initial 30 day production rate exceeding 20,000 boe per day and when combined with our existing production will allow Crew to manage production levels into the third quarter of 2016 with minimal additional capital requirement. Crew routinely stress tests the economics of our West Septimus and Septimus wells to reflect the current economic environment. Based on Crew's internal economic analysis, our most recent well data would generate half cycle internal rates of return ("IRR") at West Septimus and Septimus of 97% and 40%, respectively.

Early in the fourth quarter, Crew completed five Upper Montney wells, including two at Septimus and three at West Septimus. At Septimus, the two Upper Montney wells were production tested over four days and flowed at an average per well rate of 8.3 mmcf per day with an average per well rate of 120 bbls per day of wellhead condensate. The three wells at West Septimus were production tested over eight days and flowed at an average per well rate of 6.0 mmcf per day with an average per well rate of 270 bbls per day of wellhead condensate. Given that the average West Septimus Montney well assignment from our 2014 independent reserve evaluation had an average booking per well of 2.5 mmcf per day initial 30 day production rate, 2.8 Bcf per well of proved plus probable reserves and 49 mbbls of condensate (17.5 bbls per mmcf of condensate or 59% of total proved plus probable liquids), these recent wells are expected to materially exceed the assumptions upon which our year end West Septimus reserves assignment was based. With the continued success and outperformance of our drilling program at West Septimus, Crew is evaluating the investment decision to expand the West Septimus gas processing facility from 60 to 120 mmcf per day at an expected cost of approximately $15 million net to the Company.

Lower Montney Exploration, NE BC

Crew drilled the Company's first Lower Montney exploratory horizontal well in the quarter which was subsequently completed in the fourth quarter. After eight days of flow and clean up, the well production tested at a rate of 7.4 mmcf per day with 147 bbls per day of wellhead condensate at a flowing casing pressure of 1,120 psi. This result is on par with our Upper Montney tests in the area and supports the productivity of a new 400 foot thick stratigraphic interval which Crew will continue to exploit with additional Lower Montney wells in 2016. We are very encouraged with this exploration test and the potential this well has to materially increase our well inventory.

Tower Oil – Montney, NE BC

Crew's focus in our light oil and condensate rich Tower area remained on the pursuit of infrastructure solutions designed to maximize returns from the area, particularly at lower commodity prices. With four wells currently drilled and cased, the Company is seeking to implement more cost effective water handling solutions to reduce both capital and operating costs. Crew continues to monitor developments in drilling and completions practices in the area, and plans to increase our activity levels as economics improve and water handling logistics are put into place. We value the optionality Tower provides Crew for its exposure to oil and condensate.

Groundbirch / Attachie – Montney, NE BC

In the third quarter 2015, Crew completed an unique petroleum and natural gas rights exchange with the Province of British Columbia adding approximately 53 net sections of Montney acreage in Groundbirch, and increasing our NE BC Montney Economic Contingent Resource estimate by approximately 12% to 8.3 Tcfe. Operationally, we also tied in two Montney exploratory wells that were drilled and completed at Groundbirch during 2014. The wells were on production at restricted rates through third party facilities to the Spectra McMahon gas plant at a combined rate of 4.1 mmcf per day with liquids of 30 bbls per mmcf (67% condensate). Although the gas rates have been restricted, the liquid rates are much higher than initially tested and confirm the liquids-rich nature of this area.

Groundbirch is expected to be a future focal development area for Crew with the TransCanada North Montney pipeline proposed to pass through our expanded Groundbirch land position. This proposed pipeline would be proximal to the location of Crew's planned future Groundbirch gas plant which would be built in 2017 to 2018 depending on the direction of the Company's future capital allocation.

Lloydminster Heavy Oil – Alberta / Saskatchewan

We increased activity in our Lloydminster heavy oil area and undertook our most economic opportunities to help stem area production declines as prices recovered into the second and early third quarter. The Company completed one (1.0 net) well, recompleted ten (8.8 net) wells and drilled six (6.0 net) wells. The area's current production is approximately 3,200 boe per day with approximately 500 boe per day shut in awaiting improved pricing.

Operating costs at Lloydminster continued to decline from $19.57 per boe in third quarter 2014 to $16.17 per boe in the third quarter of 2015 representing a 17% decrease. Our Lloydminster assets are very well leveraged to an oil price recovery as illustrated by the third quarter 2014 benchmark price of $83.78 per boe and an area operating netback of $41.12 per boe compared to third quarter 2015 benchmark price of $43.37 per boe and area operating netback of $16.17 per boe.

On September 9th, 2015 we announced the disposition of 225 boe per day of production, 1.0 million boe of proved and probable reserves and 18.2 net sections of land for net proceeds of $50.1 million.

OUTLOOK

Crew is focused on the development of our world-class NE BC Montney assets. We have taken decisive action to reduce debt while expanding our area infrastructure, doubling our Montney production over the year, and building upon the significant optionality of our assets during a weak commodity price environment. Our Montney position is unique in that it accesses all three hydrocarbon windows of dry gas, liquids-rich gas and oil / condensate. Based on our analysis and geological interpretation, the Company's acreage includes 138 net sections in the oil / condensate window, 265 net sections in the liquids rich gas window and 71 net sections in the dry gas window. We have over 110 Tcfe of total petroleum initially in place of which 8.3 Tcfe have been assigned best estimate economic contingent resource by our independent evaluator. Our 474 net sections of land represent the 4th largest Montney position in NE BC, is over-pressured and is up to 1,000 feet in thickness, all key elements underpinning our belief that Crew is ideally situated in this world-class play.

Crew is uniquely positioned with a variety of hydrocarbon windows to pursue, coupled with adequate processing and takeaway capacity and over 20,000 boe per day of estimated incremental productive capacity waiting to be brought on stream. We have paced the development of our assets and our production growth in concert with preserving balance sheet strength. We remain strongly focused on cost control, including the implementation of operational efficiencies such as pad and batch surface hole drilling, and continue to benefit from service and supply costs that have fallen by more than 20% on average this year. With costs realigning to the reality of lower prices for longer, we are able to do more with our capital, specifically targeting efficiencies in drilling and completions that can be sustained through the cycles.

Crew is well positioned to manage through price volatility given our dual connectivity to the Alliance and Spectra pipeline systems, our firm transportation and sales price commitments, our active marketing and hedging program, and our strong balance sheet. We will also continue to make strategic capital investment decisions and appropriately allocate capital depending upon project economics, market, land tenure and geological factors. This will allow Crew to be nimble in the current environment and better able to effectively balance our objectives of economic growth with preservation of balance sheet strength into 2016 and beyond.

With natural gas prices at Station 2 and Alliance CREC remaining under pressure into the fourth quarter, we have responded by continuing the curtailment of production volumes until December 1, 2015 which will likely result in average production guidance for the year closer to the low end of guidance at 19,000 boe per day. Average production in the fourth quarter is expected to be 21,500 to 22,500 boe per day, the midpoint at which represents a 31% increase over the third quarter of 2015. With greater transportation and gas market diversification taking effect on December 1, and the significant volume of production awaiting start up, Crew expects to meet our exit guidance of greater than 26,000 boe per day while optimizing throughput at our West Septimus facility and continuing to reduce area operating costs. We expect to exit 2015 with a strong financial position, net debt of approximately $210 million and less than 25% drawn on our credit facility inclusive of working capital, positioning Crew for a strong 2016. Our 2016 annual capital budget and forecasts are expected to be approved by our Board of Directors in early January with our budget anticipated to focus on organic drilling and maximizing the capacity of our production facilities.

We wish to thank all of our employees and Board of Directors for their continued commitment to Crew, and our shareholders for their support of our strategy through these very challenging times.

Cautionary Statements and Advisories

Forward-Looking Information and Statements

This report contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" 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 volume and product mix of Crew's oil and gas production; production estimates including initial thirty day rates, an 2015 forecast average and exit productions; estimates of 2015 year end net debt; future oil and natural gas prices and Crew's commodity risk management programs; future liquidity and financial capacity; future results from operations and operating metrics; estimates of internal rates of return, anticipated reductions in operating costs and G&A expenditures and potential to improve ultimate recoveries, and outperform the assumptions used in our 2014 independent reserve evaluations;; future costs, expenses and royalty rates; future interest costs; the exchange rate between the $US and $Cdn; future development, exploration, acquisition and development activities and related capital expenditures and the timing thereof; the number of wells to be drilled, completed and tied-in and the timing thereof; the amount and timing of capital projects including the potential expansion of our West Septimus facility; the total future capital associated with development of reserves and resources; and methods of funding our capital program, including possible non-core asset divestitures and asset swaps.

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: the impact of increasing competition; the general stability of the economic and political environment in which Crew operates; 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 and the adequacy of cash flow to fund its planned expenditures; 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; the ability of Crew to successfully market its oil and natural gas products. There are a number of assumptions associated with the potential of resource volumes and development of Crew's lands including the quality of the Montney reservoir, future drilling programs and the funding thereof, continued performance from existing wells and performance of new wells, the growth of infrastructure, well density per section, and recovery factors and development necessarily involves known and unknown risks and uncertainties, including those identified in this press release.

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: changes in commodity prices; the potential for variation in the quality of the Montney formation; changes in the demand for or supply of Crew's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates 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 and resource 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.

Resource Estimates

This report contains references to estimates of oil and gas classified as Total Petroleum Initially In Place ("TPIIP") and Economic Contingent Resource ("ECR") in the Montney region in Northeastern British Columbia which are not, and should not be confused with, oil and gas reserves. Such estimates are based upon an independent resource evaluation effective as at December 31, 2014, prepared in accordance with the Canadian Oil and Gas Evaluation Handbook (the "2014 Resource Evaluation"). Complete details of the 2014 Resource Evaluation were set forth in Crew's previously disseminated press release dated May 7, 2015. In conjunction with the recent completion of Crew's Montney Exchange transaction with the Province of British Columbia, Sproule updated the 2014 Resource Evaluation to reflect the impact of this transaction and, in particular, the resulting increase in Crew's ECR estimate as disclosed in the August 6, 2015 press release. Such estimates are subject to a number of cautionary statements, assumptions, risk-s, positive and negative factors relevant to the estimates and contingencies, the details of which were set forth in Crew's May 7, 2015 press release. Accordingly, readers are referred to and encouraged to review the sections entitled "Northeast British Columbia Montney Resource Evaluation", "Definitions of Oil and Gas Resources and Reserves" and "Information Regarding Disclosure on Oil and Gas Reserves, Resources and Operational Information" in the May 7, 2015 press release for applicable definitions, cautionary language, explanations and discussion of resource estimates, all of which is incorporated by reference herein. Complete details of the Updated 2014 Resource Evaluation are also available within Crew's updated corporate presentation available on our website at www.crewenergy.com.

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 may not necessarily be indicative of long term performance or of ultimate recovery.

Internal Rates of Return

Internal Rates of Return ("IRR") used herein have been prepared by management in conjunction with economic stress tests performed on its wells for the purposes of making investment decisions and allocating capital resources. As such, they are not to be construed as estimates, nor guarantees of future performance and should not be unduly relied upon. The IRR disclosed herein is based upon a number of assumptions including without limitation the following: flat prices of $2.25 per gj natural gas, US$45 WTI per bbl oil, foreign exchange of CDN$0.76, and per well costs of $4.3 million. Such information constitutes forward looking information and involves known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those disclosed. See "Forward Looking Information and Statements" above for risks and uncertainties associated with forward looking information.

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 a 6:1 conversion basis may be misleading as an indication of value.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ADVISORIES

Management's discussion and analysis ("MD&A") is the Company's explanation of its financial performance for the period covered by the financial statements along with an analysis of the Company's financial position. Comments relate to and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three and nine month periods ended September 30, 2015 and 2014. 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, 2014. All figures provided herein and in the September 30, 2015 unaudited condensed interim consolidated financial statements are reported in Canadian dollars. This MD&A is dated November 5, 2015.

Forward Looking Statements

This MD&A contains forward looking statements. Management's assessment of future plans and operations, drilling plans and the timing thereof, plans for the tie-in and completion of wells, facility construction, 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 including 2015 average and 2015 exit forecasts, expected commodity mix and prices, future operating costs, future transportation costs, expected royalty rates, expected general and administrative expenses, expected interest rates, available credit lines, debt levels, funds from operations and the timing of and impact of implementing accounting policies, estimates regarding undeveloped land position and estimated future drilling, recompletion or reactivation locations and 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 of increasing competition; the general stability of the economic and political environment in which Crew operates; 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 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). 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 oil 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

Funds from Operations

One of the benchmarks Crew uses to evaluate its performance is funds from operations. Funds from operations is a measure not defined in IFRS but is commonly used in the oil and gas industry. It represents cash provided by operating activities before decommissioning obligations settled, changes in operating non-cash working capital and accretion of deferred financing costs. The Company considers it a key measure as it demonstrates the ability of the Company's continuing operations to generate the cash flow necessary to fund future growth through capital investment and to repay debt. Funds from operations 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 may not be comparable to that reported by other companies. Crew also presents funds from operations 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:

($ thousands)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Cash provided by operating activities	**22,091**	37,566	**62,325**	131,493
Decommissioning obligations settled	**93**	68	**693**	519
Change in operating non-cash working capital	**(4,795)**	1,459	**198**	6,877
Accretion of deferred financing costs	**(116)**	(70)	**(454)**	(332)
Funds from operations	**17,273**	39,023	**62,762**	138,557

Debt to EBITDA

The Company uses the terms debt to EBITDA and secured debt to EBITDA which are used in reference to the financial covenants prescribed by the Company's bank facility. Under the bank facility, debt includes drawings on the bank facility and the Company's senior unsecured notes while secured debt refers only to drawings on the bank facility. EBITDA is defined by the credit agreement as earnings before interest, taxes, depreciation and amortization, unrealized gains or losses on financial instruments, share-based compensation, all other non-cash items and EBITDA from disposed properties and acquisitions for the most recent twelve month period. Other non-cash items include impairment, gains or losses on divestitures, the premium on flow-through shares and unrealized gains or losses on marketable securities for the most recent twelve month period.

Operating Netback

Management uses the industry benchmark 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 total petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments less royalties, 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 below in the Operating Netbacks section.

Working Capital and Net Debt

The Company monitors its capital structure with a goal of maintaining a strong financial position in order to fund 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)	**September 30, 2015**	December 31, 2014
Current assets	**75,696**	78,469
Current liabilities	**(64,341)**	(95,337)
Marketable securities	**(1,316)**	(2,052)
Derivative financial instruments (net)	**(11,402)**	(38,802)
Working capital deficit	**(1,363)**	(57,722)

($ thousands)	**September 30, 2015**	December 31, 2014
Bank loan	**(67,731)**	(49,904)
Senior unsecured notes	**(146,564)**	(146,110)
Working capital deficit	**(1,363)**	(57,722)
Net debt	**(215,658)**	(253,736)

RESULTS OF OPERATIONS

2014 Strategic Transactions

On May 30, 2014, Crew disposed of approximately 7,000 boe per day (75% natural gas) focused primarily in the Deep Basin of Alberta (the "Alberta Gas Disposition").

On September 30, 2014, Crew disposed of approximately 3,650 boe per day of production (78% oil) in the Princess area of Alberta (the "Princess Disposition").

These transactions (the "2014 Dispositions") have had a significant impact on the comparison of the Company's results for the three and nine month periods ended September 30, 2015 to the results for the same period in 2014. The impact is outlined in detail below and in the Company's Management Discussion and Analysis for the year ended December 31, 2014.

Production

	Three months ended September 30, 2015				Three months ended September 30, 2014			
	Oil (bbl/d)	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Oil (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
Northeast British Columbia	336	2,233	62,466	12,980	262	1,377	61,370	11,867
Lloydminster	3,741	-	312	3,793	5,642	-	186	5,673
Properties Sold	-	-	-	-	2,609	73	3,744	3,306
Total	4,077	2,233	62,778	16,773	8,513	1,450	65,300	20,846

In the third quarter of 2015, production decreased 20% as compared to the same quarter in 2014 as a result of the Princess Disposition, third party facility and pipeline outages and production curtailments in northeast British Columbia. Multiple pipeline service restrictions and curtailments resulted in restricted access and severely depressed prices on third party pipeline systems in northeast British Columbia. The Company responded by managing natural gas production levels to effectively match to its firm fixed sales commitments. In addition, heavy oil production declined 34% over the same period in 2014 as the Company reduced its capital spending and deferred bringing on production from recently drilled wells. Production was also negatively impacted by approximately 300 boe per day in the quarter as the Company shut-in uneconomic heavy oil production as a result of the current low price environment. These production declines were partially offset by increased liquids rich natural gas production in northeast British Columbia resulting from the Company's successful drilling program at West Septimus. In early August 2015, the new West Septimus gas facility was brought on-stream adding significant capacity, however the current weak commodity price environment has led the Company to prudently restrict flow from new wells in the area to operate the facility at approximately half of its capacity.

	Nine months ended September 30, 2015				Nine months ended September 30, 2014			
	Oil (bbl/d)	**Ngl (bbl/d)**	**Nat. gas (mcf/d)**	**Total (boe/d)**	Oil (bbl/d)	Ngl (bbl/d)	Nat. gas (mcf/d)	Total (boe/d)
Northeast British Columbia	475	2,212	65,449	13,595	154	1,532	60,708	11,804
Lloydminster	4,167	-	306	4,218	5,907	-	195	5,939
Properties Sold	-	-	-	-	3,028	958	21,596	7,586
Total	4,642	2,212	65,755	17,813	9,089	2,490	82,499	25,329

For the first nine months of 2015, production decreased 30% over the same period in 2014 as a result of the 2014 Dispositions in the second and third quarters of 2014, respectively, combined with production declines in heavy oil as a result of reduced capital spending and third party pipeline and facility downtime in northeast British Columbia. The Company's successful drilling program at West Septimus and increased oil production from the Tower, British Columbia area have partially offset these production decreases.

Revenue

	Three months ended Sept. 30, 2015	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Revenue ($ thousands)				
Light oil	**1,584**	2,111	**7,015**	3,804
Heavy oil	**13,245**	41,413	**48,170**	123,165
Natural gas liquids	**6,291**	7,024	**19,045**	25,760
Natural gas	**13,664**	24,653	**45,172**	86,748
Properties Sold	**-**	21,678	**-**	113,652
Total	**34,784**	96,879	**119,402**	353,129
Crew average prices(1)				
Light oil ($/bbl)	**51.29**	87.58	**54.14**	90.48
Heavy oil ($/bbl)	**38.49**	79.78	**42.35**	76.37
Natural gas liquids ($/bbl)	**30.62**	55.45	**31.54**	61.59
Natural gas ($/mcf)	**2.37**	4.35	**2.52**	5.22
Oil equivalent ($/boe)	**22.54**	50.51	**24.55**	51.07
Benchmark pricing				
Light oil – Cdn$ WTI (Cdn $/bbl)	**60.75**	105.80	**64.12**	109.01
Heavy oil – WCS (Cdn $/bbl)	**43.37**	83.78	**47.47**	85.86
Natural gas liquids – Condensate @ Edmonton (Cdn $/bbl)	**58.08**	99.77	**60.40**	107.58
Natural Gas – AECO 2A daily index (Cdn $/mcf)	**2.90**	4.02	**2.78**	4.80
Alliance Natural Gas – AECO 4A less CREC differential (Cdn $/mcf)	**(0.26)**	3.67	**1.09**	4.52
Spectra Natural Gas – NGX Station #2 day ahead index (Cdn $/mcf)	**1.81**	3.74	**2.02**	4.46

(1) 2014 comparative average prices for light oil, natural gas liquids and natural gas have been adjusted to reflect the impact of the 2014 Dispositions.

For the third quarter of 2015, Crew's revenue decreased 64% compared to the same quarter in 2014 as a result of a 55% decline in realized pricing combined with the 20% decrease in production. The Company's realized light oil price declined 41% which was consistent with the 43% decline in the Company's Cdn$ West Texas Intermediate ("WTI") benchmark for the quarter. The Lloydminster oil price decreased 52% which was more than the 48% decrease in the Company's Western Canadian Select ("WCS") benchmark as a result of the Company securing short term sales contracts when WCS differentials were slightly wider than the average market trade for the quarter. During the third quarter, Crew's natural gas liquids ("ngl") price decreased 45% as compared to the 42% decrease in the Condensate at Edmonton benchmark price as the Company's ngl production includes propane and butane, both of which realized price declines greater than the decrease in benchmark. Crew's natural gas price decreased 46% as compared to the significant decline in the negative Alliance Natural Gas benchmark price and a 52% decrease in the Spectra Natural Gas benchmark, which reflect the two primary sales markets for Crew's northeast British Columbia's gas. Crew's realized price outperformed the decrease in benchmarks as the Company benefited from physically forward selling a portion of its gas at a fixed monthly CREC differential which netted the Company a significantly higher natural gas price. The Company also continues to actively manage the delivery of gas to the Alliance and Spectra pipelines to optimize daily pricing.

For the first nine months of 2015, revenue decreased 66% compared to the same period in 2014 as a result of a 52% decrease in realized pricing coupled with a 30% decrease in the Company's production. Crew's light oil price decreased 40% which was consistent with the decrease in the WTI benchmark of 41%. For the first nine months of 2015, the Company's heavy oil price decreased 45% which mirrored the 45% decrease in the WCS benchmark price for the same period. Crew's realized ngl price decreased 49% as compared to the same period in 2014 which is slightly higher than the 44% decrease in the Condensate at Edmonton benchmark price. Crew's decreased ngl price is disproportionately lower as compared to the benchmark pricing as a result of the propane and butane revenue embedded in the Company's realized ngl price. For the first nine months of 2015, the Company's natural gas price decreased 52% compared to the same period in 2014 which contrasted the 76% and 55%

decrease of the Alliance and Spectra benchmarks, respectively, due to the aforementioned physical price contracts and actively marketing its daily sales of natural gas to the most beneficial pricing market.

Royalties

($ thousands, except per boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Royalties	**3,579**	18,297	**11,263**	70,211
Per boe	**2.32**	9.54	**2.32**	10.15
Percentage of revenue	**10.3%**	18.9%	**9.4%**	19.9%

For the third quarter and first nine months of 2015, the Company's royalties as a percentage of revenue decreased significantly as compared to the same periods in 2014 as a result of the disposition of higher royalty rate production sold in the 2014 Dispositions, coupled with the substantial decline in commodity prices yielding reduced royalties and royalty rates which are price sensitive. In addition, the Company benefited from incremental production from West Septimus which qualifies for lower royalty rates due to deep gas new well royalty programs in British Columbia. With the continued commodity price weakness, Crew now forecasts royalties as a percentage of revenue to average between 9 and 11% in 2015.

Derivative Financial Instruments

Commodities

The Company enters into derivative and physical risk management contracts in order to reduce volatility in financial results, to protect acquisition economics and to ensure a certain level of cash flow to fund planned capital projects. Crew's strategy focuses on the use of puts, costless collars, swaps and fixed price contracts to limit exposure to fluctuations in commodity prices, interest rates and foreign exchange rates while allowing for participation in 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 and comprehensive loss:

($ thousands)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Realized gain (loss) on derivative financial instruments	**9,524**	(6,011)	**29,846**	(26,785)
Per boe	**6.17**	(3.13)	**6.14**	(3.87)
Unrealized gain (loss) on financial instruments	**(1,833)**	18,151	**(26,096)**	9,636

As at September 30, 2015, the Company held derivative commodity contracts as follows:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded	Fair Value ($000s)
Oil	1,750 bbl/day	October 1, 2015 – December 31,2015	CDN$ WTI	$102.62	Swap	6,675
Oil	2,000 bbl/day	October 1, 2015 – December 31,2015	CDN$ WCS – WTI diff	($21.59)	Swap	(549)
Gas	37,500 gj/day	October 1, 2015 – December 31,2015	AECO C Monthly Index	$3.68	Swap	3,634
Oil	250 bbl/day	October 15, 2015 – June 30,2016	USD$ WCS – WTI diff	($14.95)	Swap	(61)
Oil	250 bbl/day	January 1, 2016 – June 30,2016	USD$ WCS – WTI diff	($14.95)	Swap	(37)
Oil	500 bbl/day	January 1, 2016 – December 30,2016	CDN$ WTI	$116.50	Call	(39)
Oil	250 bbl/day	January 1, 2016 – December 31, 2016	CDN$ WTI	$78.25	Swap	1,135
Gas	7,500 gj/day	January 1, 2016 – December 31, 2016	AECO C Monthly Index	$2.98	Swap	713
Gas	12,500 mmbtu/day	January 1,2016 December 31, 2016	CDN$ Chicago Citygate	$3.92	Swap	499
Total						11,970

Subsequent to September 30, 2015, the Company entered into the following derivative commodity contracts:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded
Gas	7,500 mmbtu/day	January 1, 2016 – December 31, 2016	CDN$ Chicago Citygate	$3.58	Swap

Operating Costs

($ thousands, except per boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Operating costs	**13,063**	21,172	**43,108**	76,338
Per boe	**8.47**	11.04	**8.86**	11.04

In the third quarter and first nine months of 2015, operating costs per boe decreased as compared to the same periods in 2014, as Crew continues to develop and increase its lower cost Montney production in West Septimus and Septimus. In addition, the Company has been able to achieve cost reductions from service providers and has continued to shut-in certain higher cost production in Lloydminster. In the third quarter of 2014, operating costs were also higher due to the higher cost Princess properties which were sold at the end of the third quarter in 2014. The Company continues to forecast its 2015 annual operating costs to average between $8.50 and $9.00 per boe.

Transportation Costs

($ thousands, except per boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Transportation costs	**2,944**	3,152	**9,154**	9,989
Per boe	**1.91**	1.64	**1.88**	1.44

For the third quarter and first nine months of 2015, the Company's transportation costs per boe increased as compared to the same periods in 2014 as a result of the new West Septimus production which yields significant condensate volume that currently is trucked to the sales point. These additional costs per unit were partially offset by the installation of the lease automatic custody transfer unit at the Septimus plant which became operational in early September, significantly reducing trucking of the condensate at the Septimus facility. In addition, transportation costs per unit were higher in the third quarter and first nine months of 2015 due to the 2014 Dispositions that yielded lower per unit transportation costs as compared to the corporate average. The Company continues to forecast transportation costs per boe to range between $1.85 and $2.25 per boe in 2015.

Operating Netbacks

($/boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Revenue	**22.54**	50.51	**24.55**	51.07
Royalties	**(2.32)**	(9.54)	**(2.32)**	(10.15)
Realized commodity hedging gain/(loss)	**6.17**	(3.13)	**6.14**	(3.87)
Operating costs	**(8.47)**	(11.04)	**(8.86)**	(11.04)
Transportation costs	**(1.91)**	(1.64)	**(1.88)**	(1.44)
Operating netbacks	**16.01**	25.16	**17.63**	24.57

Operating netbacks for the three and nine months ended September 30, 2015 decreased as compared to the same periods in 2014 as result of significantly lower commodity prices partially offset by lower operating and royalty costs and a successful hedging program.

General and Administrative Costs

($ thousands, except per boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Gross costs	**4,862**	6,898	**15,995**	22,244
Operator's recoveries	**(114)**	(18)	**(325)**	(302)
Capitalized costs	**(1,570)**	(2,377)	**(5,186)**	(7,289)
General and administrative expenses	**3,178**	4,503	**10,484**	14,653
Per boe	**2.06**	2.35	**2.16**	2.12

During the third quarter of 2015, general and administrative costs after recoveries and general and administrative costs per boe have decreased as compared to the same period in 2014 due to reduced staffing levels as a result of the 2014 Dispositions and a reduction in the Company's compensation program prompted by the substantial decline in the current commodity pricing environment. For the first nine months of 2015, general and administrative costs have decreased 28% over the same period in 2014 due to reduced staffing costs from the 2014 Dispositions combined with a reduction in the Company's compensation program. The Company continues to maintain its general and administrative cost forecast between $2.00 and $2.25 per boe in 2015.

Share-Based Compensation

($ thousands)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Gross costs	**3,270**	4,050	**11,725**	10,033
Capitalized costs	**(1,524)**	(1,968)	**(5,646)**	(4,816)
Total share-based compensation	**1,746**	2,082	**6,079**	5,217

Share-based compensation expense for the three months ended September 30, 2015 has decreased compared to the same period in 2014 as a result of lower valued restricted and performance awards granted predominantly in the second quarter of

2015. Higher share-based compensation expense for the nine months ended September 30, 2015 is a result of additional compensation expense recorded in the first quarter of 2015 which was due to an increase in the performance multiplier applied to the performance awards recognizing the Company's positive 2014 performance.

Depletion and Depreciation

($ thousands, except per boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Depletion and depreciation	**23,352**	36,131	**72,850**	127,651
Per boe	**15.13**	18.84	**14.98**	18.46

In the third quarter and first nine months of 2015, depletion and depreciation costs and costs per boe decreased as compared to the same periods in 2014 as a result of the removal of higher depletion rate assets from the Company's property, plant and equipment from the 2014 Dispositions. In addition, incremental proved plus probable reserve bookings from the Company's 2014 year end reserve evaluation and increased production from the Septimus and West Septimus areas which yield a lower depletion rate contributed to the lower depletion rates.

Impairment

At September 30, 2015, as a result of a decrease in the WTI and WCS future oil price estimates and a decrease in the future AECO natural gas price estimate determined by the Company's independent reserve evaluators, it was determined that indicators of impairment existed for the Company's Cash Generating Units ("CGUs") and impairment tests were performed. The result was that the book value of the Lloydminster CGU exceeded its future recoverable value and a $55.4 million impairment charge was recorded due to the September 30, 2015 future WCS forecast decreasing approximately 21% for the next four years, which is when the majority of value is realized within the Lloydminster CGU.

Gain on Divestiture of Property

During the third quarter of 2015, the Company disposed of certain Lloydminster heavy oil properties with a net book value of $21.2 million and associated decommissioning obligations of $4.9 million for cash proceeds of $50.1 million. A gain of $33.8 million was recognized on the disposition's closing.

In a separate unrelated transaction during the third quarter of 2015, the Company exchanged undeveloped land in northeast British Columbia with a net book value of $5.5 million for land with a fair value of $13.6 million resulting in a gain of $8.1 million.

Finance Expenses

($ thousands, except per boe)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Interest on bank loan	**990**	1,485	**2,627**	6,868
Interest on senior notes	**3,166**	3,166	**9,396**	9,396
Accretion of deferred financing charges	**116**	70	**454**	332
Accretion of the decommissioning obligation	**478**	699	**1,423**	2,261
Financing expense	**4,750**	5,420	**13,900**	18,857
Average debt level	**215,515**	252,089	**203,203**	325,672
Average drawings on bank loan	**65,515**	102,089	**53,203**	175,672
Effective interest rate on bank loan	**6.0%**	5.8%	**6.6%**	5.5%
Effective interest rate on senior notes	**8.4%**	8.4%	**8.4%**	8.4%
Effective interest rate on long-term debt	**7.7%**	7.3%	**7.9%**	6.8%
Interest on long-term debt per boe	**2.77**	2.46	**2.57**	2.40

Average debt levels and average drawings on the bank loan decreased in the three and nine month periods ended September 30, 2015 compared to the same periods in 2014. Decreased drawings on the Company's bank loan were a result of the receipt of proceeds from the Princess Disposition in the third quarter of 2014, the common share issuances discussed below in the *Share Capital* section combined with proceeds from the heavy oil disposition discussed in the *Capital Expenditures* section below. The effective interest rate on the Company's bank loan was higher in both the three and nine months ended 2015, as compared to the same periods in 2014, due to higher standby fees incurred on the Company's bank facility in 2015 resulting from decreased drawings on the facility. Crew continues to forecast the effective interest rate on its long-term debt to average between 7.5% to 8.5% for 2015.

Deferred Income Taxes

For the three months ended September 30, 2015, the provision for deferred taxes was a recovery of $5.8 million compared to a recovery of $65.4 million for the same period in 2014. The higher recovery in 2014 is a result of having a greater pre-tax loss related to the loss recorded on the Princess Disposition. For the nine months ended 2015, the provision was a recovery of $10.7 million compared to a recovery of $107.0 million for the same period in 2014. The reduced recovery is a result of a reduced pre-tax loss experienced during the first nine months of 2015 due to the impairments and losses recorded on the 2014 Dispositions.

Cash, Funds from Operations and Net Income

($ thousands, except per share amounts)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Cash provided by operating activities	**22,091**	37,566	**62,325**	131,493
Funds from operations	**17,273**	39,023	**62,762**	138,557
Per share - basic	**0.12**	0.32	**0.46**	1.14
- diluted	**0.12**	0.31	**0.46**	1.12
Net loss	**(18,179)**	(195,389)	**(47,188)**	(321,290)
Per share - basic	**(0.13)**	(1.60)	**(0.34)**	(2.63)
- diluted	**(0.13)**	(1.60)	**(0.34)**	(2.63)

The decrease in cash provided by operating activities and funds from operations for the three and nine month periods ended September 30, 2015 was a result of reduced operating income due to the 2014 Dispositions and lower commodity prices in the first nine months of 2015. The reduced net loss in the nine months ended 2015 was a result of reduced impairment charges and a gain on the divestiture of assets in 2015 and the impact of the impairments and losses recorded on the 2014 Dispositions on the 2014 net loss.

Capital Expenditures, Property Acquisitions and Dispositions

During the third quarter of 2015, the Company drilled six (6.0 net) heavy oil wells and nine (7.7 net) natural gas wells. In addition, the Company completed one (1.0 net) heavy oil well and two (2.0 net) natural gas wells and recompleted 10 (8.8 net) heavy oil wells in the quarter. During the third quarter, the Company directed $28.9 million towards expanding its infrastructure predominantly in West Septimus. As of September 30, 2015 the construction of the new West Septimus facility was complete and 50% of the as built cost has been recorded as an asset held for sale. The disposition of 50% of the facility closed in early October and will be shown as a disposition in the fourth quarter. During the third quarter, the Company closed the disposition of a minor portion of its producing Lloydminster heavy oil assets. The disposition consisted of approximately 225 boe per day of heavy oil production and 18.2 net sections of land for net proceeds of $50.1 million.

Total net capital expenditures are detailed below:

($ thousands)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Land	**712**	977	**2,050**	3,230
Seismic	**130**	1,720	**5,888**	4,469
Drilling and completions	**27,169**	83,510	**97,660**	169,693
Facilities, equipment and pipelines	**28,869**	17,721	**93,177**	39,715
Other	**1,685**	2,477	**5,576**	8,221
Total exploration and development	**58,565**	106,405	**204,351**	225,328
Property acquisitions (dispositions)	**(50,281)**	141,796	**(48,797)**	(254,379)
Total	**8,284**	(35,391)	**155,554**	(29,051)

LIQUIDITY AND CAPITAL RESOURCES

Capital Funding

The Company has a credit facility with a syndicate of lending banks (the "Syndicate") which includes a revolving line of credit and an operating line of credit (the "Facility"). Subsequent to September 30, 2015, the Facility's Borrowing Base was reviewed and re-determined at $250 million resulting in the revolving line being adjusted to $220 million, while the operating line of credit remained at $30 million. The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 6, 2016. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 percent and all outstanding balances under the Facility 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 Syndicate's interpretation of the Company's reserves and future commodity prices. The credit agreement requires the Company to maintain a debt to EBITDA ratio of 4:1 and a secured debt to EBITDA ratio of 3:1 at the end of each fiscal quarter. At September 30, 2015, these ratios were 1.9:1 and 0.6:1, 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 6, 2016. At September 30, 2015, the Company had drawings of $67.7 million on the Facility and had issued letters of credit totaling $2.6 million.

In October 2013, the Company issued $150 million of 8.375% senior notes due October 21, 2020. These notes are guaranteed, jointly and severally, on an unsecured basis, by each of the Company's current and future restricted subsidiaries. Interest on the notes accrues at the rate of 8.375% per year and is payable semi-annually.

During the first quarter of 2015, the Company issued 16.7 million common shares for gross proceeds of approximately $100 million through an equity offering as discussed below in *Share Capital*.

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

Working Capital

The capital intensive nature of Crew's activities generally results in the Company carrying a working capital deficit. Working capital deficiency includes accounts receivable and net assets held for sale less accounts payable and accrued liabilities. The Company maintains sufficient unused bank credit lines to satisfy working capital deficiencies. At September 30, 2015, the Company's working capital deficiency totaled $1.4 million which, when combined with the drawings on its bank loan, represented 28% of its current bank facility.

Share Capital

On March 3, 2015, the Company issued 16,667,000 common shares of the Company, on a bought deal basis, at a price of $6.00 per share for aggregate gross proceeds of $100 million.

In September 2014, the Company closed a non-brokered private placement offering of 944,524 common shares at a price of $12.60 per share for gross proceeds of $11.9 million. The shares were issued on a flow-through basis, with an implied premium of $3.0 million. Pursuant to the provisions of the Income Tax Act (Canada), the Company has renounced to the subscribers Canadian Exploration Expenses incurred by the Company after September 26, 2014 and prior to December 31, 2015 totaling $11.9 million. The Company has renounced the Canadian Exploration Expenses such that the full proceeds were deductible against the subscribers' income for the fiscal year ended December 31, 2014. At September 30, 2015, the Company has incurred $9.1 million in qualifying expenditures under this flow-through share offering.

Crew is authorized to issue an unlimited number of common shares. As at November 5, 2015, there were 141,055,795 common shares and options to acquire 4,330,206 common shares of the Company issued and outstanding. In addition, there were 1,091,959 restricted awards and 1,548,595 performance awards outstanding under the Company's long-term incentive program.

Capital Structure

The Company considers its capital structure to include working capital, the bank loan, the 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 on-going basis in order to maintain the flexibility needed to achieve the Company's long-term objectives. To manage the capital structure the Company may adjust capital spending, hedge future revenue and costs, issue new equity, issue new debt, amend, revise or extend the terms of the existing bank facility or repay existing debt through non-core asset sales.

The Company monitors debt levels based on the ratio of net debt to annualized funds from operations. The ratio represents the time period it would take to pay off the debt if no further capital expenditures were incurred and if funds from operations remained constant. This ratio is calculated as net debt, defined as the Company's bank loan, senior unsecured notes and net working capital, divided by annualized funds from operations for the most recent quarter.

The Company monitors this ratio and endeavours to maintain it at or below 2.0 to 1.0. During periods of increased capital expenditures, acquisitions or low commodity prices, this ratio will increase. As shown below, as at September 30, 2015, the Company's ratio of net debt to annualized funds from operations was 3.12 to 1 (December 31, 2014 – 1.92 to 1). In 2015, as a result of the recent significant decline in commodity prices, the Company increased its financial flexibility through the issuance of additional common shares and the strategic divestiture of non-core properties. Crew's third quarter funds from operations was negatively impacted by third party infrastructure outages and regional natural gas pricing weakness that resulted in the Company shutting in a portion of its natural gas production. These issues are considered short term in nature and not expected to continue beyond the fourth quarter of 2015. The Company plans to closely monitor commodity prices and, if it is felt necessary to maintain a strong financial position, will continue its strategy of divesting of non-core properties, will adjust its annual capital expenditure program or may consider other forms of financing.

$ thousands, except ratio)	**September 30, 2015**	December 31, 2014
Working capital deficit	**(1,363)**	(57,722)
Bank loan	**(67,731)**	(49,904)
Senior unsecured notes	**(146,564)**	(146,110)
Net debt	**(215,658)**	(253,736)
Third quarter funds from operations	**17,273**	33,035
Annualized	**69,092**	132,140
Net debt to annualized funds from operations ratio	**3.12**	1.92

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 and automotive equipment. All such contractual obligations reflect market conditions prevailing at the time of contract and none are with related parties. The Company believes it has adequate sources of capital to fund all contractual obligations as they come due. The following table lists the Company's obligations with a fixed term.

($ thousands)	Total	2015	2016	2017	2018	2019	Thereafter
Bank Loan (note 1)	67,731	-	-	67,731	-	-	-
Senior unsecured notes (note 2)	150,000	-	-	-	-	-	150,000
Operating leases	7,372	623	1,658	1,175	1,175	1,175	1,566
Firm transportation agreements	142,336	3,095	26,761	27,094	27,094	27,094	31,198
Firm processing agreements	76,145	4,483	17,450	14,771	14,012	13,731	11,698
Capital commitment	2,833	2,833	-	-	-	-	-
Total	447,992	12,609	45,869	110,771	42,281	42,000	194,462

Note 1 – Based on the existing terms of the Company's bank facility the first possible repayment date may come in 2017. However, it is expected that the revolving bank facility will be extended and no repayment will be required in the near term.
Note 2 – Matures on October 21, 2020.

The operating leases include the Company's contractual obligation to a third party for its recently renewed five year lease of office space.

The firm transportation agreements include commitments to third parties to transport natural gas and natural gas liquids from gas processing facilities in northeastern British Columbia.

The firm processing agreements include commitments to process natural gas through third party owned gas processing facilities in the Septimus area.

The capital commitment represents the Canadian Exploration Expenses to be incurred and renounced to subscribers of the shares (Share Capital – note 10).

GUIDANCE

With natural gas prices at Station 2 and Alliance CREC remaining under pressure into the fourth quarter, we have responded by continuing the curtailment of production volumes until December 1, 2015 which will likely result in average production guidance for the year closer to the low end of guidance at 19,000 boe per day. Average production in the fourth quarter is expected to be 21,500 to 22,500 boe per day, the midpoint at which represents a 31% increase over the third quarter of 2015. With greater transportation and gas market diversification taking effect on December 1, 2015 and the significant volume of production awaiting start up, Crew expects to meet our exit guidance of greater than 26,000 boe per day while optimizing throughput at our West Septimus facility and continuing to reduce area operating costs. We expect to exit 2015 with a strong financial position with net debt of approximately $210 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)	Sept. 30 2015	Jun. 30 2015	Mar. 31 2015	Dec. 31 2014	Sept. 30 2014	June 30 2014	Mar. 31 2014	Dec. 31 2013
Total daily production (boe/d)	16,773	17,656	19,035	20,869	20,846	27,200	28,021	28,682
Exploration and development expenditures	58,565	54,694	91,092	81,447	106,405	52,783	66,140	55,996
Property acquisitions/(dispositions)	(50,281)	1,226	258	1,901	(141,796)	(215,115)	102,532	(1,931)
Average wellhead price ($/boe)	22.54	27.81	23.31	37.65	50.51	50.86	51.69	41.84
Petroleum and natural gas sales	34,784	44,678	39,940	72,295	96,879	125,882	130,368	110,394
Cash provided by operations	22,091	23,013	17,221	37,714	37,566	43,589	50,338	48,850
Funds from operations	17,273	24,769	20,720	33,035	39,023	47,724	51,810	48,128
Per share – basic	0.12	0.18	0.16	0.27	0.32	0.39	0.43	0.40
– diluted	0.12	0.18	0.16	0.27	0.31	0.38	0.42	0.40
Net income (loss)	(18,179)	(13,239)	(15,770)	(28,424)	(195,389)	3,792	(129,693)	(58,429)
Per share – basic	(0.13)	(0.09)	(0.12)	(0.23)	(1.60)	0.03	(1.07)	(0.48)
– diluted	(0.13)	(0.09)	(0.12)	(0.23)	(1.60)	0.03	(1.07)	(0.48)

Over the past eight quarters, fluctuations in petroleum and natural gas sales have resulted from volatility in commodity prices as well as variations in production volumes primarily due to the 2014 Dispositions. Funds from operations are further affected by related royalty impacts as well as realized gains and losses on risk management contracts, while net income is additionally affected by unrealized gains and losses on risk management contracts as well as net impairments on property, plant and equipment and gains and losses on dispositions of assets.

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 July 1, 2015 and ended on September 30, 2015 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 November 5, 2015

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (thousands)	**September 30, 2015**	December 31, 2014
Assets		
Current Assets:		
Accounts receivable	**$ 24,543**	$ 35,393
Marketable securities (note 3)	**1,316**	2,052
Derivative financial instruments (note 11)	**12,070**	41,024
Assets held for sale (note 4)	**37,767**	-
	75,696	78,469
Derivative financial instruments (note 11)	**587**	-
Property, plant and equipment (note 5)	**1,185,966**	1,146,596
	$ 1,262,249	$ 1,225,065
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 62,779**	$ 93,115
Derivative financial instruments (note 11)	**668**	2,222
Liabilities associated with assets held for sale (note 4)	**894**	-
	64,341	95,337
Derivative financial instruments (note 11)	**19**	736
Bank loan (note 7)	**67,731**	49,904
Senior unsecured notes (note 8)	**146,564**	146,110
Decommissioning obligations (note 9)	**84,958**	82,836
Deferred premium on flow-through shares (note 10)	**704**	2,402
Deferred tax liability	**46,921**	57,370
Shareholders' Equity		
Share capital	**1,398,609**	1,292,693
Contributed surplus	**74,864**	72,951
Deficit	**(622,462)**	(575,274)
	851,011	790,370
Commitments (note 12)		
Subsequent event (note 7)		
	$ 1,262,249	$ 1,225,065

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(unaudited) (thousands, except per share amounts)	**Three months ended Sept. 30, 2015**	Three months ended Sept. 30, 2014	**Nine months ended Sept. 30, 2015**	Nine months ended Sept. 30, 2014
Revenue				
Petroleum and natural gas sales	**$ 34,784**	$ 96,879	**$ 119,402**	$ 353,129
Royalties	**(3,579)**	(18,297)	**(11,263)**	(70,211)
Realized gain (loss) on derivative financial instruments (note 11)	**9,524**	(6,011)	**29,846**	(26,785)
Unrealized gain (loss) on derivative financial instruments (note 11)	**(1,833)**	18,151	**(26,096)**	9,636
	38,896	90,722	**111,889**	265,769
Expenses				
Operating	**13,063**	21,172	**43,108**	76,338
Transportation	**2,944**	3,152	**9,154**	9,989
General and administrative	**3,178**	4,503	**10,484**	14,653
Share-based compensation	**1,746**	2,082	**6,079**	5,217
Depletion and depreciation	**23,352**	36,131	**72,850**	127,651
	44,283	67,040	**141,675**	233,848
Income (loss) from operations	**(5,387)**	23,682	**(29,786)**	31,921
Financing	**4,750**	5,420	**13,900**	18,857
Unrealized loss (gain) on marketable securities (note 3)	**311**	(28)	**736**	(28)
Impairment on property, plant and equipment (note 6)	**55,376**	-	**55,376**	153,539
(Gain) loss on divestiture of property, plant and equipment (note 5)	**(41,877)**	279,051	**(41,877)**	287,836
Loss before income taxes	**(23,947)**	(260,761)	**(57,921)**	(428,283)
Deferred tax recovery	**(5,768)**	(65,372)	**(10,733)**	(106,993)
Net loss and comprehensive loss	**$ (18,179)**	$ (195,389)	**$ (47,188)**	$ (321,290)
Net loss per share (note 10)				
Basic	**$ (0.13)**	$ (1.60)	**$ (0.34)**	$ (2.63)
Diluted	**$ (0.13)**	$ (1.60)	**$ (0.34)**	$ (2.63)

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited) (thousands)	Number of shares	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance January 1, 2015	123,429	$ 1,292,693	$ 72,951	$ (575,274)	$ 790,370
Net loss for the period	-	-	-	(47,188)	(47,188)
Share-based compensation expensed	-	-	6,079	-	6,079
Share-based compensation capitalized	-	-	5,646	-	5,646
Transfer of share-based compensation on exercise of options	-	75	(75)	-	-
Issued on exercise of options	28	157	-	-	157
Issued on vesting of share awards	929	9,737	(9,737)	-	-
Issuance of common shares	16,667	100,002	-	-	100,002
Share issue costs, net of tax of $1,414	-	(4,055)	-	-	(4,055)
Balance September 30, 2015	**141,053**	**$ 1,398,609**	**$ 74,864**	**$ (622,462)**	**$ 851,011**

	Number of shares	Share capital	Contributed surplus	Deficit	Total Shareholders' equity
Balance January 1, 2014	121,635	$ 1,275,910	$ 63,106	$ (225,560)	$ 1,113,456
Net loss for the period	-	-	-	(321,290)	(321,290)
Share-based compensation expensed	-	-	5,217	-	5,217
Share-based compensation capitalized	-	-	4,816	-	4,816
Transfer of share-based compensation on exercise of options	-	1,702	(1,702)	-	-
Issued on exercise of options	537	3,855	-	-	3,855
Issued on vesting of share awards	238	1,672	(1,672)	-	-
Issued on private placement of flow-through shares	945	11,901	-	-	11,901
Deferred premium on flow-through shares	-	(2,961)	-	-	(2,961)
Share issue costs, net of tax of $8	-	(25)	-	-	(25)
Balance September 30, 2014	123,355	$ 1,292,054	$ 69,765	$ (546,850)	$ 814,969

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands)	**Three months ended Sept 30, 2015**	Three months ended Sept 30, 2014	**Nine months ended Sept 30, 2015**	Nine months ended Sept 30, 2014
Cash provided by (used in):				
Operating activities:				
Net loss	**$ (18,179)**	$ (195,389)	**$ (47,188)**	$ (321,290)
Adjustments:				
Unrealized (gain) loss on derivative financial instruments	**1,833**	(18,151)	**26,096**	(9,636)
Share-based compensation	**1,746**	2,082	**6,079**	5,217
Depletion and depreciation	**23,352**	36,131	**72,850**	127,651
Financing expenses	**4,750**	5,420	**13,900**	18,857
Interest expense	**(4,155)**	(4,651)	**(12,023)**	(16,264)
Unrealized (gain) loss on marketable securities	**311**	(28)	**736**	(28)
Impairment of property, plant and equipment	**55,376**	-	**55,376**	153,539
(Gain) loss on divestiture of property, plant and equipment	**(41,877)**	279,051	**(41,877)**	287,836
Deferred tax recovery	**(5,768)**	(65,372)	**(10,733)**	(106,993)
Decommissioning obligations settled	**(93)**	(68)	**(693)**	(519)
Change in non-cash working capital	**4,795**	(1,459)	**(198)**	(6,877)
	22,091	37,566	**62,325**	131,493
Financing activities:				
Increase (decrease) in bank loan	**(6,140)**	(98,477)	**17,827**	(197,688)
Proceeds from exercise of options	**-**	811	**157**	3,855
Proceeds from issuance of flow-through	**-**	11,901	**-**	11,901
Proceeds from issuance of common shares	**-**	-	**100,002**	-
Share issue costs	**-**	(33)	**(5,469)**	(33)
	(6,140)	(85,798)	**112,517**	(181,965)
Investing activities:				
Property, plant and equipment expenditures	**(58,565)**	(106,405)	**(204,351)**	(225,328)
Property acquisitions	**106**	(20,675)	**(1,378)**	(136,967)
Property dispositions	**50,175**	159,471	**50,175**	388,346
Change in non-cash working capital	**(7,667)**	32,383	**(19,288)**	40,963
	(15,951)	64,774	**(174,842)**	67,014
Change in cash and cash equivalents	**-**	16,542	**-**	16,542
Cash and cash equivalents, beginning of period	**-**	-	**-**	-
Cash and cash equivalents, end of period	**$ -**	$ 16,542	**$ -**	$ 16,542

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2015 and 2014

(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 Canadian 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 – 5^{th} 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, 2014. 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, which is the functional currency of the Company, its subsidiary and partnerships.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 5, 2015.

3. Marketable securities:

The Company holds 1,415,094 common shares of a public company trading on the TSX Venture exchange. The shares were valued at $1.45 per common share for a total value of $2.1 million at December 31, 2014. As at September 30, 2015, the fair market value of the marketable securities was $0.93 per common share for a total value of $1.3 million, which resulted in an unrealized loss of $0.7 million (September 30, 2014 - $28,000 unrealized gain) being recorded in the Company's financial statements for the nine month period then ended.

4. Assets held for sale:

In 2014, the Company entered into an agreement with a third party to construct a gas processing facility in northeast British Columbia. Under the terms of the agreement, Crew was responsible for the initial funding and construction of the facility while the third party was responsible for reimbursing Crew for 50% of the cost of the facility upon commissioning. As of September 30, 2015, the construction of the facility was complete and in early October the sale of the facility was completed as planned. As a result, as at September 30, 2015 the asset was recorded as held for sale. No depreciation has been recorded on this asset as of September 30, 2015.

5. Property, plant and equipment:

Cost or deemed cost		Total
Balance, January 1, 2014	$	2,705,206
Additions		306,775
Acquisitions		155,750
Divestitures		(1,335,760)
Change in decommissioning obligations		12,176
Capitalized share-based compensation		6,889
Balance, December 31, 2014	$	1,851,036
Additions		204,351
Transfer to assets held for sale (note 4)		(37,767)
Acquisitions		14,918
Divestitures		(27,625)
Change in decommissioning obligations		7,165
Capitalized share-based compensation		5,646
Balance, September 30, 2015	**$**	**2,017,724**

Accumulated depletion and depreciation		Total
Balance, January 1, 2014	$	927,612
Depletion and depreciation expense		158,835
Divestitures		(615,726)
Impairment (net)		233,719
Balance, December 31, 2014	$	704,440
Depletion and depreciation expense		72,850
Divestitures		(908)
Impairment		55,376
Balance, September 30, 2015	**$**	**831,758**

Net book value		Total
Balance, September 30, 2015	**$**	**1,185,966**
Balance, December 31, 2014	$	1,146,596

The calculation of depletion for the three months ended September 30, 2015 included estimated future development costs of $1,217.4 million (December 31, 2014 - $1,295.7 million) associated with the development of the Company's proved plus probable reserves and excludes salvage value of $65.8 million (December 31, 2014 - $67.1 million) and undeveloped land of $220.8 million (December 31, 2014 - $218.1 million) related to future development acreage.

During the third quarter of 2015, the Company disposed of certain petroleum and natural gas properties with a net book value of $21.2 million, and associated decommissioning obligations of $4.9 million for proceeds of cash of $50.1 million. A gain of $33.8 million was recognized on the disposition's closing. In a separate unrelated transaction, the Company exchanged undeveloped land with a net book value of $5.5 million for land with a fair value of $13.6 million, resulting in a gain of $8.1 million.

6. Impairment:

(a) Assessment:

At September 30, 2015, it was determined that indicators of impairment existed and impairment tests were performed on the Company's CGUs. For the purposes of impairment testing, the recoverable amounts of the Company's CGUs were estimated as the fair value less costs to sell based on the net present value of the before tax cash flows from oil and gas proved plus probable reserves discounted at a pre-tax rate of 10% and the internally estimated fair value of undeveloped lands based on land sales and industry activity in the area.

(b) Results of September 30, 3015 assessment:

For the period ended September 30, 2015, management internally updated the year end external reserve report with the third party price forecast and management's best estimates of the changes in the operations of Company. These estimates were used in performing the Company's impairment assessment. Although these are management's best estimates at September 30, 2015 there remains uncertainty and actual results may differ. The following pricing estimates were used in determining whether an impairment to the carrying value of the CGUs existed at September 30, 2015:

	WTI Oil (US$/bbl)	WCS ($Cdn/bbl)	AECO Gas ($Cdn/mmbtu)	$Cdn/$US
2016	55.00	54.49	3.10	0.78
2017	70.00	63.64	3.32	0.85
2018	75.00	70.41	3.91	0.85
2019	80.00	75.11	4.49	0.85
2020	81.20	77.03	4.79	0.85
2021	82.42	78.19	4.87	0.85
2022	83.65	79.36	4.96	0.85
2023	84.91	80.55	5.04	0.85
2024	86.18	81.76	5.13	0.85
2025	87.48	82.99	5.22	0.85
Remainder	+1.5%/yr	+1.5%/yr	+1.5%/yr	0.85 thereafter

A decrease in the West Texas Intermediate ("WTI") and Western Canadian Select ("WCS") future oil price estimates combined with a decrease in the future AECO natural gas price as compared to those used in the December 31, 2014 estimates has resulted in the carrying value of the Lloydminster heavy oil CGU exceeding its recoverable amount and a $55.4 million impairment charge was recorded during the third quarter of 2015.

7. Bank loan:

The Company's bank facility consists of a revolving line of credit and an operating line of credit (the "Facility"). Subsequent to September 30, 2015, the Facility's Borrowing Base was reviewed and re-determined at $250 million resulting in the revolving line being adjusted to $220 million, while the operating line remained at $30 million. The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 6, 2016. If not extended, the Facility will cease to revolve, the margins thereunder will increase by 0.50 percent 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 credit agreement requires the Company to maintain a debt to EBITDA ratio of 4:1 and a secured debt to EBITDA ratio of 3:1 at the end of each fiscal quarter. Debt consists of the Company's bank debt and senior unsecured notes while secured debt consists of the Company's bank debt. At September 30, 2015, these ratios were 1.9:1 and 0.6:1, respectively. EBITDA is a non-GAAP measure and is defined in the credit agreement as earnings before interest, taxes, depreciation and amortization, unrealized gains or losses on financial instruments, share-based compensation, all other non-cash items and EBITDA from disposed properties and acquisitions for the most recent twelve month period. Other non-cash items include impairment, gains or losses on divestitures, premium on flow-through shares and unrealized gains or losses on marketable securities for the most recent twelve month period. 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 6, 2016. The Facility is secured by a floating charge debenture and a general securities agreement on the assets of the Company.

Advances under the Facility are available by way of prime rate loans with interest rates between 1.00 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 2.00 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 0.50 percent to 0.875 percent depending upon the debt to EBITDA ratio.

As at September 30, 2015, the Company's applicable pricing included a 1.0 percent margin on prime lending and a 2.0 percent stamping fee and margin on bankers' acceptances and LIBOR loans along with a 0.50 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 September 30, 2015, the Company had issued letters of credit totaling $2.6 million (December 31, 2014 - $2.4 million). The effective interest rate on the Company's borrowings under its bank facility for the nine months ended September 30, 2015 was 6.6% (December 31, 2014 – 5.4%).

8. Senior unsecured notes:

In October 2013, the Company issued $150 million of 8.375% senior notes, due October 21, 2020. These notes are guaranteed, jointly and severally, on an unsecured basis, by each of the Company's current and future restricted subsidiaries. Interest on the notes accrues at the rate of 8.375% per year and is payable semi-annually. At September 30, 2015, the carrying value of the senior unsecured notes was net of deferred financing costs of $3.4 million (December 31, 2014 - $3.9 million).

9. Decommissioning obligations:

	Nine months ended September 30, 2015	Year ended December 31, 2014
Decommissioning obligations, beginning of period	**$ 82,836**	$ 108,118
Obligations incurred	**5,629**	6,134
Obligations acquired	**-**	16,882
Obligations settled	**(693)**	(768)
Obligations divested	**(4,879)**	(56,408)
Change in estimated future cash outflows	**1,536**	6,042
Accretion of decommissioning obligations	**1,423**	2,836
Transferred to liabilities associated with assets held for sale (note 4)	**(894)**	-
Decommissioning obligations, end of period	**$ 84,958**	$ 82,836

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 $85.0 million as at September 30, 2015 (December 31, 2014 - $82.8 million) based on an undiscounted total future liability of $87.3 million (December 31, 2014 - $84.8 million). These payments are expected to be made over the next 25 years with the majority of costs to be incurred between 2020 and 2035. The inflation rate applied to the liability is 2% (December 31, 2014 – 2%). The discount factor, being the risk-free rate related to the liability, is 2.24% (December 31, 2014 – 2.24%).

10. Share capital:

At September 30, 2015, the Company was authorized to issue an unlimited number of common shares with the holders of common shares entitled to one vote per share.

On March 3, 2015, the Company issued 16,667,000 common shares, on a bought deal basis, at a price of $6.00 per share for aggregate gross proceeds of $100 million.

During 2014, the Company closed a non-brokered private placement offering of 944,524 common shares at a price of $12.60 per share for gross proceeds of $11.9 million. The shares were issued on a flow-through basis, with an issuance premium to the common share trading value at the time of issuance of $3.0 million. Pursuant to the provisions of the Income Tax Act (Canada), the Company has renounced to the subscribers Canadian Exploration Expenses incurred by the Company after September 26, 2014 and prior to December 31, 2015 totaling $11.9 million. The Company renounced the Canadian Exploration Expenses such that the full proceeds were deductible against the subscribers' income for the fiscal year ended December 31, 2014. At September 30, 2015, the Company has incurred $9.1 million in qualifying expenditures under this flow-through share offering.

Share based payments:

The Company had a stock option program that entitles officers, directors, employees and certain consultants to purchase shares in the Company. Options were granted at the market price of the shares at the date of grant, have a four year term and vested over three years. The Company elected not to seek shareholder approval for the requisite three-year renewal of its option program at its 2014 annual meeting and, as a result, is no longer eligible to issue new options without shareholder approval. Previously issued options will remain outstanding until exercised or their expiry.

The number and weighted average exercise prices of stock options are as follows:

	Number of options	Weighted average exercise price
Balance January 1, 2015	5,206	$ 7.65
Exercised	(28)	$ 5.65
Forfeited	(579)	$ 9.11
Expired	(269)	$ 14.69
Balance at September 30, 2015	**4,330**	**$ 7.02**

The following table summarizes information about the stock options outstanding at September 30, 2015:

Range of exercise prices	Outstanding at Sept 30, 2015	Weighted average remaining life (years)	Weighted average exercise price	Exercisable at Sept 30, 2015	Weighted average exercise price
$ 5.16 to $ 7.01	2,185	0.7	$ 5.72	2,097	$ 5.70
$ 7.02 to $ 9.94	1,482	1.5	$ 7.18	977	$ 7.18
$ 9.95 to $ 13.03	663	0.2	$ 10.98	662	$ 10.98
	4,330	0.9	$ 7.02	3,736	$ 7.02

The fair value of the options was estimated using a Black Scholes model with the following weighted average inputs:

Assumptions	**Three months ended Sept 30, 2015[(1)]**	Three months ended, Sept 30, 2014	**Nine months ended Sept 30, 2015[(1)]**	Nine months ended, Sept 30, 2014
Risk free interest rate (%)	**-**	-	**-**	1.3
Expected life (years)	**-**	-	**-**	4.0
Expected volatility (%)	**-**	-	**-**	43
Forfeiture rate (%)	**-**	-	**-**	15.6
Weighted average fair value of options	**$ -**	$ -	**$ -**	$ 2.57

(1) The Company is no longer eligible to issue options and as a result, no new options have been granted for the nine months ended September 30, 2015.

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. Through the vesting of 264,000 restricted awards and 343,000 performance awards, when taking into account the earned multipliers for performance awards, 929,000 common shares of the Company were issued for the nine months ended September 30, 2015. On the vesting dates, the Company has the option of settling the award value in cash or common shares of the Company.

The number of restricted and performance awards outstanding are as follows:

	Number of RAs	Number of PAs
Balance January 1, 2015	759	968
Granted	730	1,041
Vested	(264)	(344)
Forfeited	(132)	(115)
Balance at September 30, 2015	**1,093**	**1,550**

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 September 30, 2015 was 141,035,000 (2014 – 122,375,000) and for the nine month period ended September 30, 2015, the weighted average number of shares outstanding was 136,899,000 (2014 – 122,055,000).

In computing diluted earnings per share for the three months ended September 30, 2015, nil (2014 – nil) shares were added to the weighted average common shares outstanding to account for the dilution of stock options and restricted and performance awards and for the nine months ended September 30, 2015, nil (2014 – nil) shares were added to the weighted average common shares for the dilution. For the three months ended September 30, 2015, there were 4,330,000 (2014 – 5,486,000) stock options and 2,643,000 (2014 – 1,852,000) restricted and performance awards that were not included in the diluted earnings per share calculation because they were anti-dilutive. For the nine months ended September 30, 2015, there were 4,330,000 (2014 – 5,486,000) stock options and 2,643,000 (2014 – 1,852,000) restricted and performance awards that were not included in the diluted loss per share calculation because they were anti-dilutive.

11. Financial risk management:

Derivative contracts:

It is the Company's policy to economically hedge a portion of its oil and natural gas revenues 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 long term, 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. These instruments are considered level two under the fair value hierarchy. 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 September 30, 2015, the Company held derivative commodity contracts as follows:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded	Fair Value ($000s)
Oil	1,750 bbl/day	October 1, 2015 – December 31, 2015	CDN$ WTI	$102.62	Swap	6,675
Oil	2,000 bbl/day	October 1, 2015 – December 31, 2015	CDN$ WCS – WTI diff	($21.59)	Swap	(549)
Gas	37,500 gj/day	October 1, 2015 – December 31, 2015	AECO C Monthly Index	$3.68	Swap	3,634
Oil	250 bbl/day	October 15, 2015 – June 30, 2016	USD$ WCS – WTI diff	($14.95)	Swap	(61)
Oil	250 bbl/day	January 1, 2016 – June 30, 2016	USD$ WCS – WTI diff	($14.95)	Swap	(37)
Oil	500 bbl/day	January 1, 2016 – December 31, 2016	CDN$ WTI	$116.50	Call	(39)
Oil	250 bbl/day	January 1, 2016 – December 31, 2016	CDN$ WTI	$78.25	Swap	1,135
Gas	7,500 gj/day	January 1, 2016 – December 31, 2016	AECO C Monthly Index	$2.98	Swap	713
Gas	12,500 mmbtu/day	January 1, 2016 – December 31, 2016	CDN$ Chicago Citygate	$3.92	Swap	499
Total						11,970

As at September 30, 2015, a 10% decrease to the price outlined in the contracts above would result in a $3.4 million after tax increase in net income.

Subsequent to September 30, 2015, the Company entered into the following derivative commodity contracts:

Subject of Contract	Notional Quantity	Term	Reference	Strike Price	Option Traded
Gas	7,500 mmbtu/day	January 1, 2016 – December 31, 2016	CDN$ Chicago Citygate	$3.58	Swap

Capital management:

The Company's objective when managing capital is to maintain a flexible capital structure which will allow it to execute on its capital expenditure program, which includes expenditures on oil and gas activities which may or may not be successful. Therefore, the Company monitors the level of risk incurred in its capital expenditures to balance the proportion of debt and equity in its 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 the capital structure the Company may adjust capital spending, hedge future revenue and costs, issue new equity, issue new debt or repay existing debt through non-core asset sales.

The Company monitors debt levels based on the ratio of net debt to annualized funds from operations. The ratio represents the time period it would take to pay off the debt if no further capital expenditures were incurred and if funds from operations remained constant. This ratio is calculated as net debt, defined as outstanding long-term debt and net working capital, including assets held for sale, divided by annualized funds from operations for the most recent quarter. The Company monitors this ratio and endeavours to maintain it at or below 2.0 to 1.0. During periods of increased capital expenditures, acquisitions or low commodity prices, this ratio will increase. As shown below, as at September 30, 2015, the Company's ratio of net debt to annualized funds from operations was 3.12 to 1 (December 31, 2014 – 1.92 to 1). As a result of the significant decline in commodity prices during the year, the Company increased its financial flexibility through the issuance of additional equity (Share Capital – note 10) and the strategic divestitures of non-core properties. Crew's third quarter funds from operations was negatively impacted by third party infrastructure outages and regional natural gas pricing weakness that resulted in the Company shutting in a portion of its natural gas production. These issues are considered short term in nature and not expected to continue beyond the fourth quarter of 2015.The Company plans to closely monitor commodity prices and, if it is felt necessary to maintain a strong financial position, will continue its strategy of divesting of non-core properties, will adjust its annual capital expenditure program or may consider other forms of financing.

	September 30, 2015	December 31, 2014
Net debt:		
Accounts receivable	$ 24,543	$ 35,393
Assets held for sale(1)	37,767	-
Accounts payable and accrued liabilities	(62,779)	(93,115)
Liabilities associated with assets held for sale	(894)	-
Working capital deficiency	$ (1,363)	$ (57,722)
Bank loan	(67,731)	(49,904)
Senior unsecured notes	(146,564)	(146,110)
Net debt	$ (215,658)	$ (253,736)
Third Quarter Annualized funds from operations:		
Cash provided by operating activities	$ 22,091	$ 37,714
Decommissioning obligations settled	93	249
Change in non-cash working capital	(4,795)	(4,773)
Accretion of deferred financing charges	(116)	(155)
Third Quarter Funds from operations	$ 17,273	$ 33,035
Annualized	$ 69,092	$ 132,140
Net debt to annualized funds from operations	3.12	1.92

(1) Includes net assets held for sale as discussed in note 4.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The credit facilities are 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).

12. Commitments:

	Total	2015	2016	2017	2018	2019	Thereafter
Operating leases	$ 7,372	$ 623	$ 1,658	$ 1,175	$ 1,175	$ 1,175	$ 1,566
Firm transportation agreements	142,336	3,095	26,761	27,094	27,094	27,094	31,198
Firm processing agreement	76,145	4,483	17,450	14,771	14,012	13,731	11,698
Capital commitment	2,833	2,833	-	-	-	-	-
Total	$ 228,686	$ 11,034	$ 45,869	$ 43,040	$ 42,281	$ 42,000	$ 44,462

The operating leases include the Company's contractual obligation to a third party for its recently renewed five year lease of office space.

The firm transportation agreements include commitments to third parties to transport natural gas and natural gas liquids from gas processing facilities in northeastern British Columbia.

The firm processing agreements include commitments to process natural gas through third party owned gas processing facilities in the Septimus area.

The capital commitment represents the Canadian Exploration Expenses to be incurred and renounced to subscribers of the shares (Share Capital – note 10).

DIRECTORS & OFFICERS

OFFICERS

Dale O. Shwed
President and Chief Executive Officer

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

Rob Morgan, P.Eng.
Senior Vice President and Chief Operating Officer

Ken Truscott
Senior Vice President, Business Development and Land

Jamie L. Bowman
Vice President, Marketing

Kurtis Fischer
Vice President, Business Development

Shawn A. Van Spankeren, CMA
Vice President, Finance and Administration

BOARD OF DIRECTORS

John A. Brussa,
Chairman Independent Director

Jeffery E. Errico,
Lead Director Independent Director

Dennis L. Nerland
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

crew energy inc.