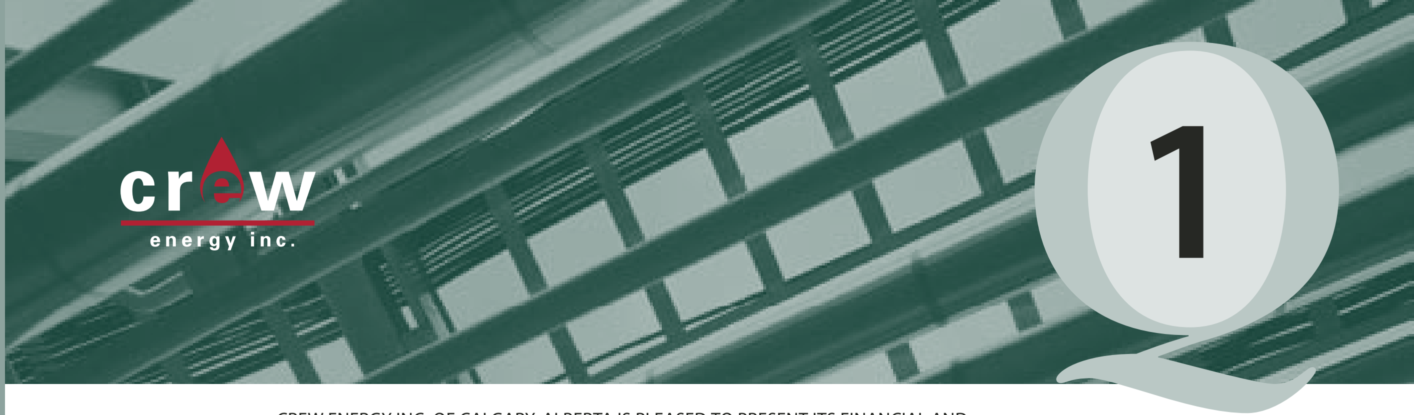

2007

CREW ENERGY INC. OF CALGARY, ALBERTA IS PLEASED TO PRESENT ITS FINANCIAL AND OPERATING RESULTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2007.

HIGHLIGHTS

- First quarter production averaged 6,869 boe per day, an increase of 20% over the first quarter of 2006 and 10% over the fourth quarter of 2006;
- Strong commodity prices along with combined operating, general and administrative and interest costs of $8.32 resulted in a first quarter funds from operations netback of $27.48 per boe;
- Funds from operations in the first quarter totalled $17.0 million, a 13% increase over the first quarter of 2006;
- On May 3, 2007 the Company closed the acquisition of a private company with over 3,100 boe per day of mainly natural gas production in northeastern British Columbia.

FINANCIAL *($ thousands, except per share amounts)*	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Petroleum and natural gas sales	**29,431**	24,792
Funds from operations (note 1)	**16,987**	15,063
Per share – basic	**0.41**	0.45
– diluted	**0.41**	0.44
Net income	**1,319**	3,594
Per share – basic	**0.03**	0.11
– diluted	**0.03**	0.11
Exploration and development investment	**34,319**	40,242
Property acquisitions (net of dispositions)	**61**	15,929
Total capital investment	**34,380**	56,171
Working capital deficiency	**6,489**	11,844
Bank loan	**69,737**	35,904
Net debt	**76,226**	47,748
Weighted average shares *(thousands)*		
Basic	**41,442**	33,284
Diluted	**41,822**	34,101

Notes:

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

OPERATIONS	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Daily production		
Light oil and ngl (bbl/d)	**1,468**	825
Natural gas (mcf/d)	**32,407**	29,436
Oil equivalent (boe/d @ 6:1)	**6,869**	5,731
Average prices (excluding transportation)		
Light oil and ngl ($/bbl)	**51.85**	59.77
Natural gas ($/mcf)	**7.74**	7.68
Oil equivalent ($/boe)	**47.61**	48.07
Operating expenses		
Light oil and ngl ($/bbl)	**5.58**	5.24
Natural gas ($/mcf)	**1.03**	0.83
Oil equivalent ($/boe @ 6:1)	**6.06**	5.03
Operating netback ($/boe) (note 1)	**29.74**	30.40
G&A ($/boe)	**1.07**	0.77
Interest and other ($/boe)	**1.19**	0.43
Funds from operations ($/boe)	**27.48**	29.20
Drilling Activity		
Gross wells	**10**	20
Working interest wells	**9.5**	16.8
Success rate, net wells	**100%**	100%

Notes:

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

OVERVIEW

In the first quarter of 2007, Crew maintained its capital discipline with spending of $34.4 million. We drilled 10 (9.5 net) wells with 100% drilling success. Crew participated in four new pool discoveries in the first quarter that are expected to yield a minimum of eight offset drilling locations. The Company successfully tied-in several wells that were drilled in previous quarters as well as three of the wells drilled in the first quarter. Service costs remained high through January and February. However, some cost reductions were evident in certain services through March and April. We expect service costs to continue to decrease in order to stimulate drilling activity.

The Company also acquired exploration lands at Inga, British Columbia and Pine Creek, Carrot Creek and Hanlan in west central Alberta. This acquired undeveloped land added to Crew's expanding inventory of over 200 drillable locations.

On April 16, 2007, Crew announced the acquisition of a private company with assets predominantly in northeast British Columbia. The acquisition closed on May 3 for total consideration of approximately $137 million before closing adjustments and costs. With this acquisition, Crew adds over 3,100 boe per day of production comprised of 95% natural gas and 5% light oil and ngl's and 33,000 net acres of undeveloped land.

OPERATIONAL UPDATE

Edson, Alberta

Crew drilled three (3.0 net) gas wells and one (1.0 net) oil well at Edson in the first quarter. The Company also completed the installation of a nine kilometre pipeline to facilitate the tie-in of gas on the western edge of its land base at Edson. This infrastructure will allow Crew to expand its drilling activity six miles west of our current activity and will lead to reduced on-stream costs in the future. Crew plans to drill six to eight wells in this area during the remainder of 2007 in close proximity to Company owned infrastructure.

Ferrier, Alberta

Crew drilled one (0.5 net) gas well at Ferrier in the first quarter that is currently awaiting tie-in. The Company's fourth quarter natural gas discovery in this area continues to produce over 450 boe per day and supports further drilling offsetting this discovery well. Crew plans to drill a minimum of five wells in this area during the remainder of the year.

Viking-Kinsella, Alberta

Crew drilled one (1.0 net) well in this area in the first quarter of 2007 resulting in a cased gas well. The Company is actively acquiring three dimensional seismic at Viking-Kinsella to expand its prospect inventory. The Company plans to drill a minimum of five wells in this area prior to year end.

Wimborne/Drumheller, Alberta

Crew was inactive in this area in the first quarter. The Company continues to hold an interest in 42 net sections of land in the area on which the Company has high graded its drilling inventory targeting coal bed methane to include over 120 wells. In 2007, Crew plans on re-completing the Horseshoe Canyon Coals in its low productivity Belly River gas wells and commingling the production from both zones.

Laprise/Inga, British Columbia

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

Exploration

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

At Hanlan, Alberta, Crew's (WI – 50.2%) discovery in late 2006 is now producing 10.5 mmcf per day of raw gas. The Company has identified up to three locations to be drilled or re-completed targeting new Nisku gas pools in the area. The first operation in the area is scheduled to start immediately after break-up.

At Strachan, Alberta, Crew (W.I. - 29% bpo, 46.5% apo) plans to drill a 3,700 metre Leduc prospect. This sour gas location is awaiting well licensing which is expected before year end. Productive wells in the area have produced 10 to several hundred BCF of gas with corresponding high daily production rates.

At Pine Creek, Alberta, in the first quarter, Crew (W.I. - 100%) drilled and completed a natural gas well that tested at 2.6 mmcf/d of natural gas and associated natural gas liquids. The Company also drilled a successful offset to this discovery before spring break-up. This well is awaiting completion and both gas wells are expected to be pipeline connected into the Company owned Rosevear gas processing facility in the third quarter. Crew plans to drill two offsetting wells on the same play in the third quarter and has three to four wells planned to be drilled on new prospects in this area before year end.

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

At Carrot Creek, Alberta, Crew (W.I. - 100%) has drilled, completed and tested its first well on the play. Crew is planning to drill two wells in the area after spring break-up and, if successful, could result in the drilling of several more wells on the prospect.

At Inga, British Columbia, Crew (W.I. – 100%) recently purchased 4,700 acres of land on a natural gas prospect. The Company plans on drilling the first well on this prospect in the fourth quarter and if successful Crew could drill an additional six wells on Company owned lands.

At Kobes, British Columbia, Crew (W.I. 44% to 100%) has identified prospects targeting Cretaceous and Triassic reservoirs in the area. Two wells are expected to be drilled by year-end on these two prospects.

OUTLOOK

Northeast British Columbia Acquisition

On May 3, 2007 Crew closed the previously announced acquisition of a private company with production of over 3,100 boe per day for $137 million before closing adjustments and costs. The majority of the producing assets are in northeast British Columbia and are comprised of 95% natural gas production and 5% light oil and ngl's. The acquired reserves, as evaluated by GLJ Petroleum Consultants Ltd., include 8.04 million boe of proven reserves and 10.71 million boe of proven and probable reserves. Net of undeveloped land valued by management at $10.02 million, the acquisition metrics on this acquisition are attractive at $15.79 per proven boe and $11.86 per proven plus probable boe.

After the acquisition, Crew now has approximately 3,700 boe per day of production and over 62,000 net acres of undeveloped land in northeast B.C. The majority of the producing assets are located in relatively mature areas with low decline rates. The assets generally produce from large pools into Company owned facilities and have significant development drilling opportunities.

Expanded 2007 Budget

As a result of the private company acquisition, Crew now expects 2007 capital spending to be approximately $238 million, of which $100 million is earmarked to be spent on exploration and development initiatives. The attractive metrics of the private company acquisition has allowed Crew to reduce its 2007 exploration and development program and patiently evaluate the drilling economics in the current environment while providing shareholders with significant per share growth. Crew is well positioned and prepared to increase its capital expenditure program should lower service costs or higher gas prices support increasing activity levels. Crew's balance sheet remains flexible with estimated current total debt of approximately $155 million on a $180 million available credit facility. Utilizing a $27 per boe funds-flow netback and production of 10,500 boe per day, the current ratio of debt to funds from operations is 1.5 times.

Continued Growth

Current production based on field estimates is approximately 10,500 boe per day. Crew currently expects to average between 9,600 and 10,200 boe per day in 2007, which at the mid-point is a 41% increase in average production per share over 2006. Further, as a result of the expanded capital program, Crew is currently projecting to exit 2007 producing between 11,500 and 12,500 boe per day.

Over the past quarter, we have enhanced our staff with the addition of two geologists, a geophysicist, a facilities engineer, a land administrator and four accountants. In addition, the Company is pleased to have Mr. Ken Truscott join us on a permanent basis as our new Vice-President, Land. We are excited about the new opportunities provided by our first quarter activity and look forward to reporting on our progress in our 2007 second quarter report.

On behalf of the Board,

Dale Shwed
President and C.E.O.

May 9, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

ADVISORIES

Management's discussion and analysis ("MD&A") is the Company's explanation of its financial performance for the period covered by the financial statements along with an analysis of the Company's financial position. Comments relate to and should be read in conjunction with the consolidated financial statements of the Company for the three month period ended March 31, 2007 and 2006 and the audited consolidated financial statements and MD&A for the year ended December 31, 2006. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada.

Forward Looking Statements

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

Conversions

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Barrel of oil equivalent ("boe") amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil and is based on an energy equivalent conversion method at the burner tip and does not necessarily represent an economic value equivalency at the wellhead.

Non-GAAP Measures

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

RESULTS OF OPERATIONS

Production

	Three months ended March 31, 2007			Three months ended March 31, 2006		
	Oil and ngl (bbl/d)	**Natural gas (mcf/d)**	**Total (boe/d)**	Oil and ngl (bbl/d)	Natural gas (mcf/d)	Total (boe/d)
Plains Core	**1,317**	**30,924**	**6,471**	573	25,583	4,837
North Core	**151**	**1,483**	**398**	252	3,853	894
Total	**1,468**	**32,407**	**6,869**	825	29,436	5,731

First quarter 2007 production increased over the first quarter of 2006 as a result of a successful drilling program that added new natural gas liquid ("ngl") rich natural gas production at Edson, Alberta, new light oil production at Edson and Ferrier, Alberta and the closing of a private company acquisition in November, 2006 with production in the Company's Ferrier area.

Revenue

($ thousands, except per unit amounts)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Revenue		
Light oil and ngl	**6,850**	4,438
Natural gas	**22,581**	20,354
Total	**29,431**	24,792
Crew average prices		
Light oil and ngl ($/bbl)	**51.85**	59.77
Natural gas ($/mcf)	**7.74**	7.68
Oil equivalent ($/boe)	**47.61**	48.07
Benchmark pricing		
Natural Gas – AECO C daily index (Cdn $/mcf)	**7.79**	7.91
Oil and ngl – Light Sweet @ Edmonton (Cdn $/bbl)	**67.07**	68.98

Crew's first quarter 2007 revenue increased 19% over the first quarter 2006 due to the increase in the Company's production and an increase in Crew's relatively higher valued oil to natural gas production ratio from 14% in the first quarter of 2006 to 21% in the first quarter of 2007.

The Company's average natural gas price increased in the first quarter compared to the first quarter of 2006 despite a decrease in the Company's benchmark pricing. This price difference was the result of increased natural gas production from Ferrier and Edson with higher heat content and hence a higher sales value compared to the benchmark. The sales price for the Company's light oil and ngl decreased 13% in the first quarter of 2007 as compared to the benchmark decline of 3%. The decrease was a result of the addition of lower value ethane production in 2007 compared to 2006.

Royalties

($ thousands, except per BOE)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Royalties	**6,771**	5,973
Per BOE	**10.95**	11.58
Percentage of revenue	**23%**	24%

Royalties as a percentage of revenue decreased in the quarter due to oil production from new wells in Alberta that received royalty holidays. This decrease was partially offset by the discontinuance of the Alberta royalty tax credit program on January 1, 2007. Royalties as a percentage of revenue are higher in the first quarter than the expected 2007 annual average of 21% to 22% as the Company has not yet received confirmation of royalty holiday credits and other government incentives related to 2006 drilling.

Operating Costs

($ thousands, except per BOE)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Operating costs	**3,744**	2,593
Per BOE	**6.06**	5.03

In the first quarter of 2007, the Company's operating costs per unit increased as a result of continued inflationary pressures and the addition of higher cost production from the private company acquisition completed in November 2006. In addition, increased emulsion handling costs associated with the new oil production from Edson and Ferrier negatively impacted operating costs in the first quarter. First quarter operating costs were higher than the expected 2007 annual range of $5.75 to $6.00 as a result of higher than expected costs on new wells at Ferrier and Edson.

Transportation

($ thousands, except per BOE)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Transportation costs	**533**	545
Per BOE	**0.86**	1.06

The Company's first quarter 2007 decline in transportation costs per unit compared to the first quarter 2006 is the result of increased oil production from Edson and Ferrier which attracts a lower transportation cost per unit combined with a decrease in Laprise production which had a higher transportation cost. Transportation costs are expected to increase to between $2.25 and $2.60 per boe for the remainder of the year as a result of the Company's May, 2007 acquisition of a private company with production mainly in northeast British Columbia.

Operating Netbacks

	Three months ended March 31, 2007			Three months ended March 31, 2006		
	Oil and ngl ($/bbl)	**Natural gas ($/mcf)**	**Total ($/boe)**	Oil and ngl ($/bbl)	Natural gas ($/mcf)	Total ($/boe)
Revenue	**51.85**	**7.74**	**47.61**	59.77	7.68	48.07
Royalties	**(12.32)**	**(1.76)**	**(10.95)**	(13.33)	(1.88)	(11.58)
Operating costs	**(5.58)**	**(1.03)**	**(6.06)**	(5.24)	(0.83)	(5.03)
Transportation costs	**(1.17)**	**(0.13)**	**(0.86)**	(1.24)	(0.17)	(1.06)
Operating netbacks	**32.78**	**4.82**	**29.74**	39.96	4.80	30.40

General and Administrative

($ thousands, except per BOE)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Gross costs	**1,891**	1,401
Operator's recoveries	**(575)**	(611)
Capitalized costs	**(658)**	(395)
General and administrative expenses	**658**	395
Per boe	**1.07**	0.77

Increased general and administrative costs before recoveries and capitalization was the result of increased staff levels and inflationary pressures on salaries in the first quarter of 2007 compared to 2006. The Company's net general and administrative costs in the first quarter of 2007 increased due to an increase in the gross costs combined with a decreased overhead recovery resulting from a reduced first quarter capital program year over year. General and administrative expenses are expected to average between $0.80 to $1.00 per boe for the year with higher amounts incurred in the first half of the year due to the payment of annual costs of regulatory filings in the first half.

Interest

Interest expense totalled $0.7 million for the first quarter of 2007 compared with $0.2 million for the first quarter of 2006. In 2007, higher interest rates combined with higher average debt levels used to finance the Company's exploration and development program have increased the Company's interest expense.

Stock-Based Compensation

($ thousands)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Gross costs	**966**	1,102
Capitalized costs	**(483)**	(551)
Total stock-based compensation	**483**	551

The Company's stock-based compensation expense has decreased in 2007 as a result of the forfeiture of stock options in late 2006.

Depletion, Depreciation and Accretion

($ thousands, except per BOE)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Depletion, depreciation and accretion	**14,850**	8,885
Per BOE	**$ 24.02**	$ 17.23

Per unit depletion has increased in 2007 due to an increase in the average cost of adding proved reserves in 2006. This increase has resulted from inflationary pressures experienced throughout the industry, the addition of higher priced proven reserves acquired through the acquisition of a private company in November, 2006 and the acquisition and construction of facilities in order to maintain lower operating costs and to ensure processing capacity for the Company's natural gas production.

Funds from Operations and Net Income

($ thousands, except per share amounts)	**Three months ended Mar. 31, 2007**	Three months ended Mar. 31, 2006
Funds from operations	**16,987**	15,063
Per share – basic	**0.41**	0.45
– diluted	**0.41**	0.44
Net Income	**1,319**	3,594
Per share – basic	**0.03**	0.11
– diluted	**0.03**	0.11

The Company's increase in funds from operations was the result of the increased production levels. Net income was negatively impacted due to higher costs experienced throughout the industry.

Capital Expenditures and Acquisitions

During the first quarter, the Company drilled a total of 10 (9.5 net) wells resulting in 9 (8.5 net) natural gas wells and 1 (1.0 net) oil well. In addition, the Company also completed 9 (9.0 net) wells and spent $3.1 million on crown land sales adding to its inventory of undeveloped land in both its Plains and North core areas.

Total capital expenditures for the first quarter of 2007 were $34.4 million compared to $56.2 million for the same period in 2006. The expenditures are detailed below:

($ thousands)	**Three months ended Mar. 31, 2007**	Three months ended March 31, 2006
Land	**3,155**	3,546
Seismic	**692**	2,710
Drilling and completions	**22,052**	24,171
Facilities, equipment and pipelines	**7,695**	9,438
Other	**725**	377
Total exploration and development	**34,319**	40,242
Property acquisitions	**61**	15,929
Total	**34,380**	56,171

As a result of the private company acquisition completed in May, 2007, the Company has reduced its 2007 exploration and development budget to $100 million from $134 million.

LIQUIDITY AND CAPITAL RESOURCES

Capital Funding

Funding for the Company's first quarter 2007 capital expenditure program came from a combination of bank debt and cash flow from on-going operations.

On May 3, 2007 Crew acquired all of the issued and outstanding shares of a private oil and gas company with producing oil and natural gas properties in northeastern British Columbia and central Alberta. Crew's total consideration for the acquisition was approximately $137 million before closing adjustments and costs, and was financed through a concurrently announced equity financing and a newly arranged credit facility.

In conjunction with the acquisition Crew issued, on a bought deal basis, 5,750,000 Common Shares at $10.30 per share for aggregate gross proceeds of $59.2 million. The common shares were issued concurrently with the closing of the acquisition and the net proceeds of approximately $56 million were used to partially fund the acquisition price.

The remainder of the acquisition price was provided by a newly arranged credit facility with a syndicate of banks. The new facility consists of a revolving line of credit of $165 million (the "Syndicated Facility") and an operating line of credit of $15 million (the "Operating Facility"). The facility will revolve for a 364 day period and will be subject to annual review. If not renewed, the Syndicated Facility will cease to revolve and all outstanding advances under the facility will become repayable in one year. On completion of the acquisition the Company had combined drawings under the facility of approximately $142 million.

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

Working Capital

The capital intensive nature of Crew's activities generally results in the Company carrying a working capital deficit. However, the Company maintains sufficient unused bank credit lines to satisfy such working capital deficiencies.

At March 31, 2007, the Company's working capital deficiency totaled $6.5 million which, when combined with the drawings on its bank line, represented 64% of its available bank facility at that time.

Share Capital

In August 2006, the Company issued 2,426,300 Common Shares for gross proceeds of $40.0 million. Of the shares issued, 759,500 shares were issued on a flow-through basis under which the Company has committed to renounce $15.0 million of certain Canadian tax deductions to the purchasers. As at March 31, 2007, the Company had spent $10.5 million of its commitment and intends to spend the remaining $4.5 million during the remainder of 2007.

As at May 9, 2007, Crew had 47,195,658 Common Shares and 402,000 Class C performance shares outstanding along with 3,026,300 options to acquire Common Shares of the Company.

GUIDANCE

The Company's first quarter activity combined with the May, 2007 acquisition of the private company has impacted the Company's production guidance for 2007. Crew's revised 2007 guidance includes average production of between 9,600 and 10,200 boe per day with a 2007 exit rate of an estimated 11,500 to 12,500 boe per day.

ADDITIONAL DISCLOSURES

Quarterly Analysis

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

($ thousands, except per share amounts)	**Mar. 31, 2007**	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005
Petroleum and natural gas sales	**29,431**	26,590	22,267	19,164	24,792	30,520	22,304	18,673
Funds from operations	**16,987**	16,705	14,245	10,645	15,063	21,084	15,423	12,521
Per share – basic	**0.41**	0.43	0.41	0.32	0.45	0.69	0.56	0.47
– diluted	**0.41**	0.43	0.40	0.31	0.44	0.65	0.48	0.40
Net income	**1,319**	1,796	1,633	3,753	3,594	8,746	6,328	5,279
Per share – basic	**0.03**	0.05	0.05	0.11	0.11	0.28	0.23	0.20
– diluted	**0.03**	0.05	0.05	0.11	0.11	0.27	0.20	0.17
Total daily production (boe/d)	**6,869**	6,227	5,768	5,049	5,731	4,730	4,093	4,217
Average wellhead price ($/boe)	**47.61**	46.41	41.96	41.71	48.07	70.14	59.23	48.66

Crew's petroleum and natural gas sales, funds from operations and net income are all impacted by production levels and volatile commodity pricing. Through 2006 and into 2007, despite increased production, these performance measures have fluctuated as a result of volatile natural gas prices combined with the escalating cost of operations.

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

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

Internal Controls over Financial Reporting

Crew's Chief Executive Officer and Chief Financial Officer are required to cause the Company to disclose herein any change in Crew's internal controls over financial reporting that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect the Company's internal controls over financial reporting. No material changes in Crew's internal controls over financial reporting were identified during the three months ended March 31, 2007, that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

New Accounting Pronouncements

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement", Handbook Section 3865, "Hedges", and Handbook Section 1530, "Comprehensive Income".

The adoption of these standards has no material impact on the Company's net earnings or cash flows. The effect of the implementation on other statements is discussed below:

(a) Financial instruments

The financial instruments standard establishes recognition and measurement criteria for financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument except in specific circumstances. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held for trading", "available for sale", "held to maturity", "loans and receivables" or "other financial liabilities" as defined by the standard.

Financial assets and financial liabilities "held for trading" are measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available for sale" are measured at fair value, with changes in those fair values recognized in other comprehensive income. Financial assets "held to maturity", "loans and receivables" and "other financial liabilities" are measured at amortized cost using the effective interest method of amortization.

Cash and deposits, included in current assets, are designated as "held for trading" and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable are designated as "loans and receivables" and accounts payable and long-term debt are designated as "other financial liabilities".

At January 1, 2007, the Company held no financial instruments that required valuation adjustments.

(b) Derivative Instruments and Hedges

The Company may use derivative instruments to manage its exposure to the volatility in commodity prices. These derivatives will be recorded on the balance sheet at fair value in accounts receivable. Gains and losses on these instruments will be charged to income in the period that they occur.

(c) Comprehensive income

The new standard introduced the statements of comprehensive income and accumulated other comprehensive income to temporarily provide for gains, losses and other amounts arising from changes in fair value until they are realized and recorded in net earnings. The Company has determined that it had no comprehensive income nor accumulated other comprehensive income for the period ended March 31, 2007.

Dated as of May 9, 2007

CONSOLIDATED BALANCE SHEETS

(unaudited)

($ thousands)	**March 31, 2007**	December 31, 2006
ASSETS		
Current Assets:		
Accounts receivable	**$ 21,281**	$ 22,063
Property, plant and equipment (note 3)	**359,315**	338,660
Goodwill	**14,558**	14,558
	$ 395,154	$ 375,281
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	**$ 27,770**	$ 39,777
Bank loan (note 5)	**69,737**	41,157
	97,507	80,934
Asset retirement obligations (note 4)	**10,912**	10,485
Future income taxes	**44,493**	39,552
SHAREHOLDERS' EQUITY		
Share capital (note 6)	**188,481**	192,814
Contributed surplus (note 6)	**6,512**	5,566
Retained earnings	**47,249**	45,930
	242,242	244,310
Subsequent event (note 8)		
	$ 395,154	$ 375,281

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

(unaudited)

($ thousands, except per share amounts)	**Three months ended March 31, 2007**	Three months ended March 31, 2006
Revenue		
Petroleum and natural gas sales	**$ 29,431**	$ 24,792
Royalties	**(6,771)**	(5,973)
	22,660	18,819
Expenses		
Operating	**3,744**	2,593
Transportation	**533**	545
General & administrative	**658**	395
Interest	**738**	179
Stock-based compensation	**483**	551
Depletion, depreciation & accretion	**14,850**	8,885
	21,006	13,148
Income before income taxes	**1,654**	5,671
Income taxes		
Current	**–**	44
Future	**335**	2,033
	335	2,077
Net income	**1,319**	3,594
Retained earnings, beginning of period	**45,930**	35,154
Retained earnings, end of period	**$ 47,249**	$ 38,748
Net Income per share (note 6(d))		
Basic	**$ 0.03**	$ 0.11
Diluted	**$ 0.03**	$ 0.11

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

($ thousands, except per share amounts)	**Three months ended March 31, 2007**	Three months ended March 31, 2006
Cash provided by (used in):		
Operating activities:		
Net income	**$ 1,319**	$ 3,594
Items not involving cash:		
Depletion, depreciation & accretion	**14,850**	8,885
Stock-based compensation	**483**	551
Future income taxes	**335**	2,033
Asset retirement expenditures	**(10)**	(85)
Change in non-cash working capital	**(1,961)**	804
	15,016	15,782
Financing activities:		
Increase in bank loan	**28,580**	35,904
Issue of common shares	**48**	19
	28,628	35,923
Investing activities:		
Exploration and development	**(34,319)**	(40,242)
Property acquisitions	**(61)**	(15,929)
Change in non-cash working capital	**(9,264)**	(11,836)
	(43,644)	(68,007)
Change in cash and cash equivalents	**–**	(16,302)
Cash and cash equivalents, beginning of period	**–**	16,302
Cash and cash equivalents, end of period	**$ –**	$ –

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2007 and 2006

(Unaudited, Tabular amounts in thousands)

1. SIGNIFICANT ACCOUNTING POLICIES:

The interim consolidated financial statements of Crew Energy Inc. have been prepared by management in accordance with accounting principles generally accepted in Canada. The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the year ended December 31, 2006, except as disclosed below. The disclosure which follows is incremental to the disclosure included with the December 31, 2006 consolidated financial statements. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2006.

Certain comparative amounts have been reclassified to conform to current period presentation.

2. CHANGE IN ACCOUNTING POLICY:

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement", Handbook Section 3865, "Hedges", and Handbook Section 1530, "Comprehensive Income".

The adoption of these standards has no material impact on the Company's net earnings or cash flows. The effect of the implementation on other statements is discussed below:

(a) Financial instruments

The financial instruments standard establishes recognition and measurement criteria for financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument except in specific circumstances. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held for trading", "available for sale", "held to maturity", "loans and receivables" or "other financial liabilities" as defined by the standard.

Financial assets and financial liabilities "held for trading" are measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available for sale" are measured at fair value, with changes in those fair values recognized in other comprehensive income. Financial assets "held to maturity", "loans and receivables" and "other financial liabilities" are measured at amortized cost using the effective interest method of amortization.

Cash and deposits, included in current assets, are designated as "held for trading" and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable are designated as "loans and receivables" and accounts payable and long-term debt are designated as "other financial liabilities".

At January 1, 2007, the Company held no financial instruments that required valuation adjustments.

(b) Derivative Instruments and Hedges

The Company may use derivative instruments to manage its exposure to the volatility in commodity prices. These derivatives will be recorded on the balance sheet at fair value in accounts receivable. Gains and losses on these instruments will be charged to income in the period that they occur.

(c) Comprehensive income

The new standard introduced the statements of comprehensive income and accumulated other comprehensive income to temporarily provide for gains, losses and other amounts arising from changes in fair value until they are realized and recorded in net earnings. The Company has determined that it had no items that would affect comprehensive income nor accumulated other comprehensive income for the period ended March 31, 2007.

3. PROPERTY, PLANT AND EQUIPMENT:

March 31, 2007	**Cost**	**Accumulated depletion & depreciation**	**Net book value**
Petroleum and natural gas properties and equipment	**$ 444,890**	**$ 85,575**	**$ 359,315**

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

The cost of unproved properties at March 31, 2007 of $28,058,000 (2006 - $23,779,000) was excluded from the depletion calculation. Estimated future development costs associated with the development of the Company's proved reserves of $16,806,000 (2006 - $17,514,000) have been included in the depletion calculation and estimated salvage values of $16,263,000 (2006 - $13,216,000) have been excluded from the depletion calculation.

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

	Three months ended March 31, 2007	Year ended December 31, 2006
General and administrative expense	**$ 658**	$ 1,688
Stock-based compensation expense, including future income taxes	**688**	3,176
	$ 1,346	$ 4,864

4. ASSET RETIREMENT OBLIGATIONS:

Crew has estimated the net present value of its total asset retirement obligation as at March 31, 2007 to be $10,912,000 (December 31, 2006 - $10,485,000) based on a total future liability of $24,283,000 (December 31, 2006 - $23,503,000). These payments are expected to be made over the next 49 years. An 8% (2006 – 8%) credit adjusted risk free discount rate and 2% (2006 – 2%) inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

	Three months ended March 31, 2007	Year ended December 31, 2006
Carrying amount, beginning of period	**$ 10,485**	$ 7,182
Liabilities incurred	**214**	1,690
Liabilities acquired	**–**	679
Accretion expense	**223**	655
Change in estimate	**–**	(448)
Liabilities settled	**(10)**	727
Carrying amount, end of period	**$ 10,912**	$ 10,485

5. BANK LOAN:

At March 31, 2007, the Company had a $120 million demand operating facility with a Canadian chartered bank. That facility was replaced on May 3, 2007 with a new facility that is described in note 8 - Subsequent Events.

6. SHARE CAPITAL:

(a) Common Shares:

	Number of shares	Amount
Common shares, December 31, 2006	41,440	$ 192,810
Exercise of stock options	6	49
Stock-based compensation	–	20
Flow through share tax adjustment	–	(4,401)
Share issue costs	–	(1)
Common shares, March 31, 2007	**41,446**	**$ 188,477**

(b) Contributed Surplus:

	Amount
Contributed surplus, December 31, 2006	$ 5,566
Stock-based compensation	966
Conversion of stock options	(20)
Contributed surplus, March 31, 2007	**$ 6,512**

(c) Stock-based compensation:

During the first three months of 2007, the Company recorded $966,000, (2006 - $1,102,000) of stock-based compensation expense related to the stock options, of which $483,000 (2006 - $551,000) was capitalized in accordance with the Company's full cost accounting policy. As stock-based compensation is non-deductible for income tax purposes, a future tax liability of $205,000 associated with the current period's capitalized stock-based compensation has been recorded. The fair value of each stock option is determined at each issue or grant date using the Black-Scholes model with the following weighted average assumptions: risk free interest rate 4.08%, expected life 4 years, volatility 45%, and an expected dividend of nil. There were no stock options issued during the three months ended March 31, 2006.

(i) Performance shares

	Number of shares	Amount
Class C, performance shares, December 31, 2006	402	$ 4
Class C, performance shares, March 31, 2007	**402**	**$ 4**

(ii) Stock options

The average fair value of the stock options granted during the three months ended March 31, 2007, as calculated by the Black-Scholes method, was $4.80 per option.

	Number of Options	Price Range	Weighted average exercise price
Balance December 31, 2006	2,019	$3.50 to $18.60	$ 14.97
Granted	1,439	$9.97 to $11.75	$ 10.03
Forfeited	(68)	$11.95 to $12.65	$ 12.46
Exercised	(6)	$8.25	$ 8.25
Balance March 31, 2007	**3,384**	**$3.50 to $18.60**	**$ 12.93**

(d) Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the three month period ended March 31, 2007 was 41,442,000 (March 31, 2006 – 33,284,000).

In computing diluted earnings per share for the three month period ended March 31, 2007, 380,000 (March 31, 2006 – 817,000) shares were added to the weighted average number of common shares outstanding for the dilution added by the performance shares and stock options.

(e) Flow through shares

On August 10, 2006, the Company closed a public offering in which 2,426,300 shares were issued for gross proceeds of $40,002,125. Of the shares issued, 759,500 shares were issued on a flow-through basis in which the Company had committed to renounce to the purchasers certain Canadian tax deductions totalling $15.0 million. During the three months ended March 31, 2007, the Company renounced the $15.0 million of Canadian income tax deductions and at March 31, 2007, the Company had $4.5 million to incur under this arrangement.

7. SUPPLEMENTAL CASH FLOW INFORMATION:

	March 31, 2007	March 31, 2006
Changes in non-cash working capital:		
Accounts receivable	**$ 782**	$ 5,564
Accounts payable and accrued liabilities	**(12,007)**	(16,596)
	$ (11,225)	$ (11,032)
Operating activities	**$ (1,961)**	$ 804
Investing activities	**(9,264)**	(11,836)
	$ (11,225)	$ (11,032)

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

	March 31, 2007	March 31, 2006
Interest	**$ 877**	$ 251
Income taxes	**$ –**	$ –

8. SUBSEQUENT EVENT:

On May 3, 2007 Crew acquired all of the issued and outstanding shares of a private oil and gas company with producing oil and natural gas properties in northeastern British Columbia and central Alberta (the "Acquisition"). Crew's total consideration paid for the Acquisition was approximately $137 million before closing adjustments and costs, and was financed through a concurrently announced equity financing and a newly arranged credit facility, as described below.

In conjunction with the Acquisition Crew issued, on a bought deal basis, 5,750,000 Common Shares at $10.30 per share for aggregate gross proceeds of $59.2 million ($56 million net of estimated issue costs). The remainder of the Acquisition price was provided by a newly arranged credit facility with a syndicate of banks. The new facility consists of a revolving line of credit of $165 million (the "Syndicated Facility") and an operating line of credit of $15 million (the "Operating Facility"). The Syndicated Facility and the Operating Facility will revolve for a 364 day period and will be subject to annual review. If not renewed, the Syndicated Facility and Operating Facility will cease to revolve, the margins thereunder will increase by 0.25 per cent and all outstanding advances thereunder will become repayable in one year. Advances under the facilities will be available by way of prime rate loans, bankers acceptances and LIBOR loans which will bear interest of up to 0.75 per cent over the bank's prime lending rate and bankers' acceptances and LIBOR loans will be subject to stamping fees and margins of ranging from 0.95 per cent to 1.75 per cent depending upon the debt to EBITDA ratio of the Company at each of the Company's quarter ends. The new facilities will be secured by a first floating charge debenture over the Company's consolidated assets.

CORPORATE INFORMATION

HEAD OFFICE

Suite 1920, Bow Valley Square II
205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7
Phone: (403) 266-2088
Fax: (403) 266-6259
www.crewenergy.com

FOR DETAILED INFORMATION, PLEASE CONTACT:

Dale Shwed, President and C.E.O.
Telephone: (403) 231-8850

John Leach, Vice President, Finance and C.F.O.
Telephone: (403) 231-8859

AUDITORS

KPMG LLP

BANKERS

The Toronto-Dominion Bank

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP

RESERVE ENGINEERS

GLJ Petroleum Consultants

TRANSFER AGENT

Valiant Trust Company

EXCHANGE LISTING

Toronto Stock Exchange
Stock Symbol: CR

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
mmbtu	million British thermal units
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

CAUTIONARY STATEMENT

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

crew energy inc.

Suite 1920, Bow Valley Square II
205 – 5th Avenue S.W., Calgary, Alberta T2P 2V7
Phone: (403) 266-2088 Fax: (403) 266-6259
www.crewenergy.com