FOR IMMEDIATE RELEASE - CALGARY, ALBERTA – May 12, 2004

Crew Energy Inc. (TSX-CR) of Calgary, Alberta is pleased to announce its operating and financial results for the three months ended March 31, 2004.

Highlights

- Production increased to average 2,068 boe per day, an increase of 8% over the fourth quarter of 2003;
- Cash flow for the quarter was $4.7 million or $0.20 per share, a 22% increase over the fourth quarter of 2003;
- Earnings per share increased 40% over the fourth quarter of 2003 to $0.07 per share;
- Operating costs decreased 11% from the fourth quarter 2003 to $4.03 per boe;
- The Company's nine well drilling program resulted in one oil well and eight gas wells for a 100% success rate;
- On April 28, 2004, the Company announced a "bought deal" equity financing for 3 million Common Shares at $5.35 per share. This financing is scheduled to close on May 13, 2004.

FINANCIAL ($ thousands, except per share amounts)	**3 months ended March 31, 2004**	**3 months ended Dec. 31, 2003**
Petroleum and natural gas sales	**7,237**	**5,899**
Cash flow from operations (note 2)	**4,669**	**3,814**
Per share - basic	**0.20**	**0.17**
- diluted	**0.18**	**0.15**
Net income	**1,686**	**1,258**
Per share - basic	**0.07**	**0.05**
- diluted	**0.06**	**0.05**
Exploration and development expenditures	**11,769**	**4,860**
Working capital (deficiency)	**(3,159)**	**3,940**
Weighted average shares (thousands)		
Basic	**22,981**	**22,981**
Diluted	**26,236**	**25,620**

Note 1 - Crew was formed on September 2, 2003 as part of the Plan of Arrangement (the "Plan") entered into by Baytex Energy Ltd. ("Baytex") and its associated companies under which certain producing properties and exploratory assets of Baytex were transferred to Crew, with the remaining assets being reorganized into an income trust, Baytex Energy Trust. Under the Plan, Baytex Energy Trust became the continuing issuer of Baytex and Crew was registered as a new issuer. As a result, the financial information required to be included in this report comprises only the operating results of Crew for the three months ended March 31, 2004. Comparative information for the three months ended December 31, 2003 is provided for information purposes only.

Note 2 - Cash flow from operations is used before changes in non-cash working capital to analyze operating performance and leverage. Cash flow 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.

OPERATING	**3 months ended March 31, 2004**	**3 months ended Dec. 31, 2003**
Daily production		
Light oil and ngls (bbl/d)	**473**	**486**
Natural gas (mcf/d)	**9,570**	**8,550**
Oil equivalent (boe/d @ 6:1)	**2,068**	**1,911**
Average prices		
Light oil and ngls ($/bbl)	**38.75**	**32.78**
Natural gas ($/mcf)	**6.39**	**5.63**
Oil equivalent ($/boe)	**38.46**	**33.55**
Operating expenses		
Light oil and ngls ($/bbl)	**3.91**	**3.04**
Natural gas ($/mcf)	**0.68**	**0.84**
Oil equivalent ($/boe @ 6:1)	**4.03**	**4.54**
Operating netback ($/boe)	**25.63**	**22.62**
G&A expenses ($/boe)	**0.94**	**1.06**
Cash flow netback ($/boe)	**24.82**	**21.69**

Operational Review

Crew's successful first quarter drilling program focused on continued development of the Company's core areas. Drilling successes in the quarter included two natural gas wells at Edson. The first of these two wells was tied-in and came on stream at 120 boe per day. The second well is expected to be completed and tied-in in the second quarter. The success of these two wells has setup the drilling of an additional four to five wells in this area during the remainder of 2004. The planned installation and start-up of an 810 bhp compressor is on-schedule and is expected to be operational by the end of the second quarter.

The Company successfully drilled 4 (4.0 net) natural gas wells at Viking-Kinsella during the first quarter. Production from these wells is scheduled to start in the third quarter of 2004 along with 4 (4.0 net) additional wells that were previously drilled in the area. These successes will be followed up by the drilling of 5 (5.0 net) additional wells at Viking-Kinsella and the construction of a 12 km pipeline before year-end.

At Ferrier the Company completed the tie-in of 2 (1.7 net) natural gas wells and installed a 400 bhp compressor. These wells came on production at initial rates of over 300 boe per day. The Company has submitted a holding application to the AEUB for these lands, which if approved, will provide additional drilling opportunities in this area in 2005. Crew currently has one exploration well budgeted at Ferrier, which is expected to be drilled in the second quarter of 2004.

Additional drilling in the first quarter consisted of 2 (0.75 net) wells at Saxon in central Alberta and 1 (1.0 net) well at Drumheller, also in central Alberta. The Saxon wells resulted in 1 (0.25 net) oil well and 1 (0.50 net) cased natural gas well. The well at Drumheller resulted in 1 (1.0 net) cased natural gas well that is scheduled to be tied-in to the Company's Drumheller facility in the second quarter.

At Drumheller/Wimborne, Crew has plans to drill or re-complete three wells targeting gas from the Horseshoe Canyon formation coals. As earlier reported there has been a significant increase in activity targeting Coal Bed Methane (CBM) in close proximity to Crew's land holding in this area. Crew has over 50 net sections of land, an extensive pipeline infrastructure and operates two gas processing facilities to accommodate gas production in this area.

Outlook

Crew's team continues to be focused on internal prospect generation and organic growth through the drill bit. The Company currently maintains an undeveloped land base of 237,000 net acres. This acreage will provide the Company with an abundance of drilling opportunities well into 2005. During the remainder of 2004 the Company will continue to emphasize the exploitation of its core areas as well as start an evaluation of the Company's significant CBM potential.

Crew has budgeted second quarter production to average approximately 2,000 boe per day. The second quarter average will be impacted by the shut-in of production at Laprise for most of the second quarter due to road bans. The Company's production volumes will be increased by approximately 750 boe per day with the return of the Laprise volumes after break-up and the planned tie-in of 10 (10.0 net) natural gas wells at the end of the second quarter or early in the third quarter.

On April 28th the Company announced an agreement with a syndicate of underwriters to sell, on a "bought deal" private placement basis, 3 million Common Shares of the Company for $5.35 per share. This financing is scheduled to close on May 13, 2004. Upon completion of this financing the Company will expand its 2004 capital expenditure budget to $42.5 million. Funding for the expanded program will be provided by the proceeds from the equity financing, cash flow from operations and the Company's existing bank credit facility. The expanded capital program will also result in an increase in Crew's 2004 production estimate to an average of 2,400 to 2,600 boe per day. Crew will also increase its targeted 2004 exit production rate to between 3,400 and 3,600 boe per day. The Company looks forward to reporting its progress towards achieving these goals throughout the year.

Management's Discussion and Analysis

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 months ended March 31, 2004 and the audited consolidated financial statements and management's discussion and analysis for the period ended December 31, 2003, which are included in the Company's 2003 Annual Report.

Certain of the statements set forth under "Management's Discussion and Analysis" and elsewhere in this Press Release, including statements which may contain words such as "could", "expect", "believe", "will", "budgeted", "forecasted" and similar expressions and statements relating to matters that are not historical facts, are forward-looking and are based upon the Company's current belief as to the outcome and timing of such future events. There are numerous risks and uncertainties that can affect the outcome and timing of such events, including many factors beyond the control of the Company. These factors include, but are not limited to, the matters described under the heading "Risk and Risk Management" in the Company's December 31, 2003 management, discussion and analysis on Page 21 of the Company's 2003 Annual Report. Should one or more of these events occur, or should any of the underlying assumptions prove incorrect, the Company's actual results and plans for 2004 and beyond could differ materially from those expressed in the forward-looking statements. The Company does not undertake to update, revise or correct any of the forward-looking information. Such forward-looking statements should be read in conjunction with the Company's disclosures under the heading: "CAUTIONARY STATEMENT" contained in this release.

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.

Crew evaluates performance based on net income and cash flow from operations. Cash flow from operations is a measure, not based on GAAP that is commonly used in the oil and gas industry. It represents cash generated from operating activities before changes in non-cash working capital.

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.

Commencement of Operations Crew commenced operations on September 2, 2003 and as a result the financial information required to be included in this report comprises only the operating results for the three months ended March 31, 2004. Comparative information for the three months ended December 31, 2003 is provided for information purposes only.

Operational Activity During the period the Company drilled a total of 9 (7.75 net) wells resulting in 1 (0.25 net) oil well and 8 (7.50 net) natural gas wells and a success rate of 100%. Crew operated 78% of the gross wells and 90% of the net wells it drilled in the first quarter. The Company also completed the installation of a compressor and the tie-in of two wells at Ferrier along with the tie-in of one well at Edson.

If successfully completed, the Company's recently announced equity financing would be used to fund an expanded drilling program for the remainder of 2004. The expanded program will include the drilling of 12 to 15 wells during the remainder of the year and the tie-in of 10 previously drilled natural gas wells. The Company's operational plans for the remainder of 2004 will also include the installation of a 810 bhp compressor at Edson, the construction of a 12 km pipeline at Viking Kinsella and the installation of equipment to facilitate Good Engineering Practice at Laprise. This project is scheduled to start once a reservoir simulation study has been completed and regulatory approval has been received.

Sales Volumes Sales volumes for the three months averaged 2,068 boe per day, an increase of 8% over the previous quarter's average of 1,911 boe per day. Natural gas volumes increased 12% over the fourth quarter of 2003 to average 9.6 mmcf per day for the first quarter with new production coming from Ferrier and Edson. Light oil and ngl volumes were consistent with the fourth quarter averaging 473 bbl per day.

In conjunction with an increased drilling program, the Company will also increase its sales volume forecast from an average of 2,200 boe per day to 2,400 to 2,600 boe per day for 2004. This increase in production is expected to be the result of expanded capital spending at Edson, Viking-Kinsella, and Ferrier in Alberta and Laprise in B.C.

Revenue Revenue for the first quarter was $7.2 million including natural gas revenue of $5.5 million and light oil and ngl revenue of $1.7 million. These amounts compared to fourth quarter 2003 revenue of $5.9 million including natural gas revenue of $4.4 million and light oil and natural gas liquids of $1.5 million. Increased revenue was the result of stronger commodity prices and increased production of natural gas.

Commodity prices during the first quarter remained strong as benchmark West Texas Intermediate (WTI) crude averaged US $35.15 per barrel with an average Canadian dollar to US dollar exchange rate of $0.76. Natural gas at AECO traded at a daily spot average of $6.50 per mcf during the first quarter. The Company's budget for 2004 is based on an average WTI of US $32.50 per bbl with an average Canadian to US dollar exchange rate of $0.75 for the year. The Company's 2004 budget for natural gas revenue is set on a base AECO price of $6.00 per mcf.

Royalties Royalties for the three months totalled $1.7 million or 23% of revenue compared to $1.1 million or 19% of revenue for the fourth quarter of 2004. Royalty rates have increased over the quarter as a result of increased commodity pricing and a larger proportion of natural gas revenue, which attracts a higher average royalty rate. Royalty rates are forecasted to remain in the 23% to 25% range for the remainder of the year.

Operating Costs Operating costs for the three months totalled $0.8 million or $4.03 per boe a decrease of 11% over the fourth quarter. Operating costs have declined as a result of increased production volumes resulting in more efficient operations and increased recoveries from third party processed gas through the Company's facilities at Drumheller and Wimborne. Operating costs are now forecasted to average $5.00 per boe for the remainder of the year or 7% lower than the previously budgeted $5.40 per boe.

Operating Net Backs

	Three Months ended Mar. 31, 2004		
	Light oil and ngls	Natural gas	Total
	($/bbl)	($/mcf)	($/boe)
Revenue	38.75	6.39	38.46
Royalties	(4.98)	(1.65)	(8.80)
	33.77	4.74	29.66
Operating costs	(3.91)	(0.68)	(4.03)
Operating netbacks	**29.86**	**4.06**	**25.63**

	Three months ended Dec. 31, 2003		
	Light oil and ngls	Natural gas	Total
	($/bbl)	($/mcf)	($/boe)
Revenue	32.78	5.63	33.55
Royalties	(7.29)	(1.02)	(6.39)
	25.49	4.61	27.16
Operating costs	(3.04)	(0.84)	(4.54)
Operating netbacks	**22.45**	**3.77**	**22.62**

General and Administrative General and administrative expenses for the first three months of 2004 totalled $176,000 or $0.94 per boe compared to $188,000 or $1.06 per boe for the fourth quarter of 2003. General and administrative costs are budgeted to average $1.00 per boe for the remainder of the year.

Stock-Based Compensation The Company accounts for its stock-based compensation programs, including the performance shares and stock options, using the fair value method. Under this method, compensation expense related to these programs is recorded in the consolidated statement of operations over the vesting period. For the three months ended March 31, 2004 the Company has recorded a stock-based compensation expense totalling $62,000 or $0.33 per boe.

Depletion, depreciation and accretion The provision for depletion, depreciation and accretion was $1.91 million ($10.17/boe) for the three months, which included $95,000 ($0.50/boe) of accretion associated with the Company's asset retirement obligation. For the quarter ended December 31, 2003, depletion, depreciation and accretion was $1.49 million ($8.46/boe) including $72,000 ($0.41/boe) of accretion associated with the Company's asset retirement obligation.

Effective January 1, 2004 the Company adopted new Accounting Guideline 16 "Oil and Gas Accounting – Full Cost." Under the new standard the Company assesses if the carrying amount of petroleum and natural gas properties is recoverable when compared to undiscounted cash flows expected from the production of proved reserves, using expected future prices and costs. When the carrying amount is not assessed as recoverable, an impairment loss is recognized based on the discounted cash flows expected from the production of proved plus probable reserves. Adopting Accounting Guideline 16 had no effect on the Company's financial results.

Taxes Capital tax expense includes an estimate of the Company's Large Corporation Tax for the period and is consistent with the amount incurred in the fourth quarter.

Cash flow and Earnings Continued strength in world commodity markets led to another successful financial quarter for the Company. Cash flow grew to $4.7 million a 22% increase over the fourth quarter of 2003 and on a per share basis was $0.20 per basic share and $0.18 per diluted share. Earnings increased to $1.7 million for the quarter representing a 34% increase over the fourth quarter of 2003 and on a per share basis were $0.07 per basic share and $0.06 per diluted share.

Liquidity and Capital Resources At March 31, 2004 the Company had a net working capital deficiency of $3.2 million including cash on-hand of $6.9 million. On April 27, 2004, Crew entered into an agreement with a syndicate of underwriters to sell, on a "bought deal" private placement basis, 3,000,000 Common Shares at a price of $5.35 per Common Share for gross proceeds of $16.1 million. The completion of this deal is subject to regulatory approval and is anticipated to close on May 13, 2004.

Proceeds from the financing will be used to expand the Company's 2004 capital expenditure program. Upon completion of the financing, the Company will increase its 2004 Capital budget to $42.5 million. The capital needed to fund this program will be provided by the net proceeds of the private placement, cash flow from operations and the Company's demand credit facility.

Capital Expenditures Capital expenditures during the first quarter totalled $11.8 million and are detailed as follows:

	Three months ended March 31, 2004 (000's)
Land	$ 886
Seismic	267
Drilling and completions	7,389
Facilities, equipment and pipelines	2,983
Other	244
Total	$ 11,769

Upon completion of the Company's equity financing, the Company's 2004 capital budget will be increased to $42.5 million, including first quarter spending. The remaining 2004 budget is to be spent on continued development of the Company's core areas with an emphasis on natural gas drilling at Edson, Ferrier and Viking-Kinsella in Alberta and continued development of the Company's light-oil assets at Laprise in B.C.

Dated as of May 11, 2004

Cautionary Statement

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

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

Financial statements for the three months and period ended March 31, 2004 are attached.

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

Website: www.crewenergy.com

CREW ENERGY INC.

Consolidated Balance Sheet
March 31, 2004
(unaudited, thousands)

	Mar. 31 2004	Dec. 31 2003
Assets		
Current assets:		
Cash and short-term investments	$ 6,892	$ 7,721
Accounts receivable	6,833	5,848
	13,725	13,569
Future income taxes	1,034	2,041
Property, plant and equipment (note 2)	40,320	30,150
	$ 55,079	$ 45,760
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 16,884	$ 9,629
Asset retirement obligation (note 5)	4,149	3,896
Shareholders' equity:		
Share capital (note 4)	30,524	30,524
Contributed surplus	271	146
Retained earnings	3,251	1,565
	34,046	32,235
Subsequent event (note 6)		
	$ 55,079	$ 45,760

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

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

	Three months ended March 31, 2004
	(unaudited)
Revenue:	
Petroleum and natural gas	$ 7,237
Royalties	(1,656)
Interest income	38
	5,619
Expenses:	
Operating	759
General and administration	176
Stock-based compensation (note 4(c))	62
Depletion, depreciation and accretion	1,914
	2,911
Income before income taxes	2,708
Taxes:	
Capital	15
Future	1,007
	1,022
Net income	1,686
Retained earnings, beginning of period	1,565
Retained earnings, end of period	$ 3,251
Per share amounts (note 4(d)):	
Basic	$ 0.07
Diluted	$ 0.06

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Consolidated Statement of Cash Flows
(thousands)

	Three months ended March 31, 2004
	(unaudited)
Cash provided by (used in):	
Operations:	
Net income	$ 1,686
Items not involving cash:	
Depletion, depreciation and accretion	1,914
Stock-based compensation	62
Future income taxes	1,007
Funds from operations	4,669
Change in non-cash working capital	1,098
	5,767
Investments:	
Exploration and development	(11,769)
Change in non-cash working capital	5,173
	(6,596)
Change in cash and short-term investments	(829)
Cash and short-term investments, beginning of period	7,721
Cash and short-term investments, end of period	$ 6,892

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Notes to Consolidated Financial Statements
For the three months ended March 31, 2004
(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 period from September 2, 2003 to December 31, 2003, except as disclosed below. The disclosure which follows is incremental to the disclosure included with the September 2, 2003 to December 31, 2003 consolidated financial statements. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's annual report for the period ended December 31, 2003.

Petroleum and natural gas properties:

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

Capitalized costs, excluding costs relating to unproven properties, are depleted using the unit-of-production method based on estimated Proved reserves of oil and gas before royalties as determined by independent petroleum engineers. For purposes of the depletion calculation, natural gas reserves and production are converted to equivalent volumes of crude oil based on relative energy content of six thousand cubic feet of gas to one barrel of oil.

Petroleum and natural gas assets are evaluated in each reporting period to determine that the carrying amount in a cost centre is recoverable and do not exceed the fair value of the properties in the cost centre.

The carrying amounts are assessed to be recoverable when the sum of the undiscounted cash flows expected from the production of proved reserves, the lower of cost and market of unproved properties and the cost of major development projects exceeds the carrying amount of the cost centre. When the carrying amount is not assessed to be recoverable, an impairment loss is recognized to the extent that the carrying amount of the cost centre exceeds the sum of the discounted cash flows expected from the production of proved and probable reserves, the lower of cost and market of unproved properties and the cost of major development projects of the cost centre. The cash flows are estimated using expected future product prices and costs and are discounted using a risk-free interest rate.

Effective January 1, 2004, the Corporation adopted the new accounting standard relating to full cost accounting. The adoption of this new policy on January 1, 2004 resulted in no write-down to the carrying value of petroleum and natural gas assets. Prior to January 1, 2004 the ceiling test amount was the sum of the undiscounted cash flows expected from the production of proved reserves, the lower of cost or market of unproved properties and the cost of major development projects less estimated future costs for administration, financing, site restoration and income taxes. The cash flows were estimated using period end prices and costs.

The following table summarizes the future benchmark prices the Company used in the ceiling test:

	WTI Oil ($US/Bbl)	Foreign Exchange Rate	WTI Oil ($/Bbl)	Company Liquids ($/bbl)	AECO Gas ($/mcf)	Company Gas ($/mcf)
2004	$ 29.00	0.75	$ 38.67	$ 30.88	$ 5.85	$ 5.54
2005	$ 26.00	0.75	$ 34.67	$ 26.43	$ 5.15	$ 4.87
2006	$ 25.00	0.75	$ 33.33	$ 25.21	$ 5.00	$ 4.77
2007	$ 25.00	0.75	$ 33.33	$ 25.28	$ 5.00	$ 4.80
2008	$ 25.00	0.75	$ 33.33	$ 25.27	$ 5.00	$ 4.81
Annual escalation thereafter 1.5%						

2. Property, plant and equipment:

At March 31, 2004	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	$ 43,462	$ 3,461	$ 40,001
Office furniture and equipment	357	38	319
	$ 43,819	$ 3,499	$ 40,320

At December 31, 2003	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	$ 31,530	$ 1,660	$ 29,870
Office furniture and equipment	300	20	280
	$ 31,830	$ 1,680	$ 30,150

The cost of unproven lands at March 31, 2004 of $5,972,000 has been excluded from the depletion calculation.

During the three months ended March 31, 2004, $239,000 of corporate expenses related to exploration and development activities was capitalized.

3. Bank facility:

Crew has a $12 million demand operating facility with a Canadian chartered bank, which is available by way of prime rate based loans or bankers acceptances. Advances under the facility bear interest at the bank's prime lending rate, bankers' acceptance rates plus scheduled margins. The facility revolves at the company's discretion, is repayable on demand of the bank and is secured by a first floating charge debenture over all of Crew's real property and a first priority security interest in all of Crew's personal property.

Cash interest income received during the three months ended March 31, 2004 totalled $38,000.

4. Share capital:

(a) Authorized:

Unlimited number of Common Shares

1,881,000 Class C, non-voting performance shares ("performance shares")

(b) Share capital issued:

	Number of shares	Amount
Common shares,		
Balance, December 31, 2003	22,981	30,505
Balance, March 31, 2004	22,981	30,505
Class C, performance shares,		
Balance, December 31, 2003	1,881	19
Balance, March 31, 2004	1,881	19
Share capital, March 31, 2004		**$ 30,524**

(c) Stock-based compensation:

The Company measures compensation costs associated with stock-based compensation using the fair market value method and the cost is recognized over the vesting period of the underlying security. The fair value of each performance share and stock option is determined at each issue or grant date using the Black-Scholes model with the following assumptions: risk free interest rate 4.5%, expected life 4 years, and volatility 45%.

During the three months ended March 31, 2004 the Company recorded $125,000 of compensation expense related to the performance shares and stock options, of which $63,000 was capitalized in accordance with the Company's full cost accounting policy.

(i) Performance shares

In conjunction with the private placement of Common Shares, the Company issued 1,881,000 performance shares to employees, officers and directors at a price of $0.01 per share. Each performance share is convertible into a fraction of a Common Share over a three-year period with the conversion rights expiring on September 1, 2007 after which, if the shares have not been converted, they are redeemed by the Company at $0.01 per share. On conversion, each performance share converts at the rate determined by subtracting $1.65 from the current market price of the Company's Common Share and dividing the result by the current market price of the Company's Common Share. The fair value of the performance shares at the date of issue, as calculated by the Black-Scholes method, is $0.67 per share.

(ii) Stock options

The Company has a fixed stock option plan in which the Company may grant options to its employees and directors for up to 417,000 Common Shares. Under this plan, the exercise price of each option equals the market price of the Company's Common Shares on the date of grant. All granted options vest over a three-year period and have a four-year term. Stock options are granted periodically throughout the year.

During the three month period ended March 31, 2004, 1,500 stock options were granted to Crew employees with an exercise price of $4.70. At March 31, 2004, 157,500 stock options were outstanding with a weighted average remaining term of 3.7 years, a weighted average price of $3.71 and none of the options had vested. The fair value of the stock options granted during the period as calculated by the Black-Scholes method is $1.53 per share.

(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 months ended March 31, 2004 was 22,981,000.

In computing diluted earnings per share for the three months ended March 31, 2004, 3,255,000 shares were added to the weighted average number of common shares outstanding for the dilution added by the warrants, performance shares and stock options.

5. Asset retirement obligations

The total future asset retirement obligation was determined by management and was based on Crew's net ownership interest, the estimated future cost to reclaim and abandon the Company's wells and facilities and the estimated timing of when the costs will be incurred. Crew has estimated the net present value of its total asset retirement obligation to be $4,149,000 as at March 31, 2004 based on a total future liability of $7,908,000. These payments are expected to be made over the next 33 years. A ten percent interest rate and two percent inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

Carrying amount, beginning of period	$	3,896
Increase in liabilities during the period		158
Accretion expense		95
Carrying amount, end of period	$	4,149

6. Subsequent Event

On April 27, 2004, Crew entered into an agreement with a syndicate of underwrites to sell on a “bought deal” private placement basis 3,000,000 Common Shares of the Company at a price of $5.35 per Common Share for gross proceeds of approximately $16.1 million. This transaction is scheduled to close on or about May 13, 2003.