CREW ENERGY ANNOUNCES 2005 FIRST QUARTER RESULTS
CALGARY, ALBERTA – MAY 11, 2005

Crew Energy Inc. (TSX-CR) of Calgary, Alberta is pleased to present its financial and operating results for the three month period ended March 31, 2005.

Highlights

- First quarter production averaged 3,833 boe/d, an increase of 85% over the first quarter of 2004 and 23% over the fourth quarter of 2004;
- Funds flow from operations in the first quarter totalled $10.5 million, a 124% increase over the first quarter of 2004 and a 26% increase over the fourth quarter of 2004;
- Net income in the first quarter was $4.3 million, a 154% increase over the first quarter of 2004 and 28% greater than the fourth quarter of 2004;
- Achieved another quarter of top tier financial metrics with an earnings to funds flow ratio of 41%, funds flow to revenue ratio of 65%, general and administrative expenses per boe of $0.82 and a funds flow netback of $30.33 per boe;
- Maintained a strong balance sheet with net debt at March 31, 2005 of $15.1 million ;
- Increased the Company's Bank Facility from $27 million to $60 million;
- Reduced operating costs to $3.87 per boe in the first quarter of 2005 from $4.03 per boe in the first quarter of 2004;
- Completed a successful first quarter capital program including the drilling of 8 (6.8 net) wells with a 100% success rate, the completion of 16 (12.1 net) wells and the construction of three gas facilities and associated pipelines.

Finance ($ thousands, except per share amounts)	**Three months ended March 31, 2005**	Three months ended March 31, 2004	% Chg
Petroleum and natural gas sales	**16,035**	7,459	115
Funds flow from operations (note 1)	**10,463**	4,669	124
Per share - basic	**0.39**	0.20	95
- diluted	**0.33**	0.18	83
Net income	**4,288**	1,686	154
Per share - basic	**0.16**	0.07	129
- diluted	**0.14**	0.06	133
Exploration and development capital expenditures	**21,640**	11,769	84
Working capital deficiency (excl. bank loan)	**9,063**	3,159	187
Bank loan	**6,038**	--	N/A
Net debt	**15,101**	3,159	378
Weighted average shares (thousands)			
Basic	**26,781**	22,981	17
Diluted	**31,393**	26,236	20

Notes:

(1) Funds flow from operations is cash flow from operations before changes in non-cash working capital (see quantitative reconciliation in the March 31, 2005 statement of cash flows) and is used to analyze operating performance and leverage. Funds 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.

Operations	Three months ended March 31, 2005	Three months ended March 31, 2004	% Chg
Daily production			
Light oil and ngls (bbl/d)	**928**	473	96
Natural gas (mcf/d)	**17,432**	9,570	82
Oil equivalent (boe/d @ 6:1)	**3,833**	2,068	85
Average prices			
Light oil and ngls ($/bbl)	**56.08**	41.32	36
Natural gas ($/mcf)	**7.24**	6.52	11
Oil equivalent ($/boe)	**46.48**	39.63	17
Operating expenses			
Light oil and ngls ($/bbl)	**4.05**	3.91	4
Natural gas ($/mcf)	**0.64**	0.68	(6)
Oil equivalent ($/boe)	**3.87**	4.03	(4)
Operating netback ($/boe)	**31.07**	25.63	21
G&A and other cash items ($/boe)	**0.74**	0.81	(9)
Funds flow netback ($/boe)	**30.33**	24.82	22
Drilling Activity			
Gross wells	**8**	9	(11)
Working interest wells	**6.8**	7.7	(12)
Success rate, net wells	**100%**	100%	

Operational Update

Edson, Alberta

Crew's drilling success continued in the Edson area of central Alberta in the first quarter of 2005 with the Company drilling its 12th consecutive gas well. During the quarter the Company drilled two (2.0 net) successful development natural gas wells with both encountering dual pay zones. A third (WI – 75%) exploration well was drilled and completed near the end of the quarter. This well was tied-in early in the second quarter and is currently producing 3.2 MMcf/d. Also during the first quarter Crew completed the installation of a second 810 bhp compressor at the Company's Edson natural gas facility (WI - 100%) increasing its capacity to 14 MMcf/d. Currently Crew plans to drill 9 additional wells in this area during the remainder of 2005 out of a current inventory of 25 locations.

Ferrier, Alberta

At Ferrier in west central Alberta, Crew (WI - 58%) and its partner completed the construction of a gas plant late in the first quarter. This facility is currently processing gas from one (0.6 net) Crew gas well producing 1.0 MMcf/d of natural gas and 75 bbl/d of liquids net to Crew. Crew plans to increase drilling activity in the Ferrier area during the remainder of 2005. After taking the past year to evaluate the productivity of existing natural gas wells in the area, the Company plans to move ahead with the drilling of three Rock Creek locations. Production from these wells is expected to fill the Company's existing 3.0 MMcf/d facility in the area.

Laprise, B.C.

At Laprise in Northeastern B.C., Crew is planning to acquire additional 3-D seismic data in 2005 over its lands to evaluate the potential of the Slave Point Formation. Crew's acreage is in an analogous geologic and structural position to a well three miles away that has had cumulative production of over 18 BCF and is currently producing over 21 MMcf/d of natural gas from the Slave Point Formation.

Viking-Kinsella/Plain Lake

Crew drilled one (1.0 net) multi-zone gas well in the Plain Lake area in the first quarter of 2005 which is currently producing 1.0 MMcf/d. The Company is planning to shoot 12 - 3D seismic programs over its lands in these areas during the remainder of 2005. Currently the Company has an inventory of 18 (18 net) drilling locations at Viking-Kinsella and Plain Lake which are planned to be drilled before the end of the year.

Wimborne-Drumheller

Crew drilled three (2.1 net) wells at Wimborne in the first quarter of 2005 targeting the Belly River, Edmonton sandstones, and Horseshoe Canyon coal formations. These wells along with the three wells drilled in the fourth quarter of 2004 were completed and brought on-stream through the Company's existing gas processing facility. The Company also completed the expansion of its Wimborne gas processing facility to 7 MMcf/d with the installation of an 810 bhp compressor to accommodate low pressure gas production.

Crew's lands in the Wimborne area are surrounded by new natural gas developments targeting the Horseshoe Canyon coals. Typical Horseshoe Canyon natural gas developments would incorporate the drilling of four to eight wells per section with production rates of 70-300 mcf/d per well. Crew has 42 net sections of Horseshoe Canyon coal rights in the Wimborne-Drumheller area. With no reserves currently recognized in the Horseshoe Canyon coals, this play presents a significant resource to the Company which remains to be developed.

Exploration

At Hanlan, Alberta, Crew participated for a 25% interest in a 4,200 meter Winterburn test well that was drilled in the first quarter and into the second quarter of 2005. This well is currently awaiting completion which is expected before the end of the second quarter. The Company has recently acquired two sections of land in proximity to this discovery.

At Medicine River, Alberta, Crew (WI – 100%) has developed three deep Leduc oil prospects. The first well is currently planned to be drilled in the third quarter of 2005 to a depth of 3,200 meters to test a Leduc reef anomaly identified on 3-D seismic. The Company (WI - 100%) also plans to drill a 2,400 meter test well in this area in the third quarter of 2005 targeting gas/condensate from the Elkton formation.

At Ferrier, the Company (WI - 100%) is planning to drill a 3,100 meter test well targeting gas/condensate from the Banff formation. The Company owns an interest in eight net sections of land in the immediate area of the test well.

Outlook

Crew's successful first quarter drilling program has increased the Company's current production capability to over 4,800 boe/d. Currently the Company is producing over 4,000 boe/d with an additional 850 boe/d awaiting production start-up. Included in the volumes awaiting start-up is 450 boe/d of production in the Laprise area that has been shut-in due to spring break-up. The Company expects this production to be back on stream before the end of the second quarter. The additional volumes awaiting start-up are scheduled to be brought on-stream before the end of the third quarter.

The success of the first quarter drilling program combined with Crew's large inventory of high quality prospects and strong balance sheet has resulted in the Company's Board of Directors approving an increase in the 2005 capital budget to $80 million. In conjunction with the additional capital spending, the Company has increased its average production guidance for 2005 to between 4,300 and 4,500 boe/d and its exit 2005 guidance to between 5,700 and 6,000 boe/d.

Crew has successfully grown since its inception in September 2003 entirely through organically generated exploration and development drilling. Our team continues to add to the Company's high quality inventory of drilling prospects. This inventory has allowed the Company to high grade its capital expenditures resulting in a high economic success rate. With over two years of drilling inventory Crew is excited about its future prospects and looks forward to reporting on the success of its operations in its second quarter report.

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 month period ended March 31, 2005 and the audited consolidated financial statements for the year ended December 31, 2004 and the consolidated financial statements and Management Discussion and Analysis for the three month period ended March 31, 2004.

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, 2004 management, discussion and analysis. 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 2005 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 except as required by law or regulations. 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 funds flow from operations. Funds flow from operations is a measure not based on GAAP that is commonly used in the oil and gas industry. It represents cash flow generated from operating activities before changes in non-cash working capital (see quantitative reconciliation in the attached statements of cash flows). The Company considers it a key measure as it demonstrates the ability of the business to generate the cash necessary to fund future growth through capital investment and to repay debt.

Production Production for the quarter ended March 31, 2005 averaged 3,833 boe/d, an increase of 85% over the 2,068 boe/d produced in the first quarter of 2004. Natural gas volumes grew to 17.4 MMcf/d, an 82% increase over the first quarter of 2004's volumes of 9.6 MMcf/d. Increased gas production came from new wells at Edson, Plain Lake, and Viking-Kinsella. Light oil and natural gas liquids ("ngl") production increased 96% to 928 bbls/d in the first quarter compared to 473 bbls/d in the first quarter of 2004. Light oil and ngl production increased as a result of new wells in Laprise, Edson, and Ferrier.

Revenue Revenue for the first quarter totalled $16.0 million including natural gas revenue of $11.4 million and light oil and ngl revenue of $4.6 million. These amounts compared to first quarter 2004 revenue of $7.5 million including natural gas revenue of $5.7 million and light oil and natural gas liquids of $1.8 million. The increased 2005 natural gas revenue was the result of the 82% increase in natural gas production and an 11% increase in natural gas prices from $6.52 in the first quarter of 2004 to $7.24 in 2005. The increase in oil and ngl revenue was the result of the 96% increase in production and a 36% increase in oil and ngl pricing from $41.32 in 2004 to $56.08 in the first quarter of 2005.

Prior to the second quarter of 2004, the Company had presented petroleum and natural gas sales net of transportation costs. The Company now records petroleum and natural gas sales separate from transportation costs on the statement of operations. Previously reported amounts have been reclassified for comparative purposes.

Royalties Royalties for the first quarter of 2005 totalled $3.7 million ($3.5 million net of $0.12 million of Alberta royalty tax credits) or 22.8% of revenue compared to $1.7 million or 22.2% of revenue for the first quarter of 2004. Royalty rates as a percentage of revenue have increased slightly in 2005 due to the addition of production from new wells which attract higher royalty rates.

Operating Costs Operating costs for the three months ended March 31, 2005 totalled $1.3 million or $3.87 per boe compared to $0.8 million or $4.03 for the same period in 2004. Oil and ngl operating costs have increased slightly to $4.05 per bbl in the first quarter of 2005 from $3.91 per bbl in the first quarter of 2004 as a result of an increase in higher cost production from the Laprise area. Natural gas operating costs per unit have decreased in the first quarter of 2005 to $0.64 per mcf from $0.68 in the first quarter of 2004. This reduction was the result of higher production and an increase in processing fees charged to third parties for recovery of facility operating costs.

Transportation Transportation costs for the first quarter of 2005 were $0.4 million or $1.28 per boe compared to $0.2 million or $1.17 per boe in the first quarter of 2004. Oil transportation costs per unit have increased in 2005 due to increased production from Laprise, which attracts a higher transportation charge. Gas transportation costs per unit have increased to $0.14 per mcf from $0.13 per mcf in 2004 due to increased production from Viking-Kinsella and Plain Lake, which attracts a higher transportation charge.

Operating Netbacks

	Three months ended March 31, 2005			Three months ended March 31, 2004		
	Oil and ngl ($/bbl)	**Natural Gas** ($/mcf)	**Total** ($/boe)	Oil and ngl ($/bbl)	Natural Gas ($/mcf)	Total ($/boe)
Revenue	**$ 56.08**	**$ 7.24**	**$ 46.48**	$ 41.32	$ 6.52	$ 39.63
Royalties	**(10.54)**	**(1.77)**	**(10.62)**	(4.98)	(1.65)	(8.80)
Alberta royalty tax credit			**0.36**			-
Operating costs	**(4.05)**	**(0.64)**	**(3.87)**	(3.91)	(0.68)	(4.03)
Transportation costs	**(2.65)**	**(0.14)**	**(1.28)**	(2.57)	(0.13)	(1.17)
Operating netbacks	**$ 38.84**	**$ 4.69**	**$ 31.07**	$ 29.86	$ 4.06	$ 25.63

General and Administrative General and administrative expenses for the first quarter of 2005 totalled $0.3 million or $0.82 per boe compared to $0.2 million or $0.94 per boe for the first quarter of 2004. The Company's general and administrative costs per boe have decreased in 2005 as a result of the Company's increased production volumes. Crew follows the full cost method of accounting for its petroleum and natural gas operations under which, $ 0.3 million (2004 - $0.2 million) of corporate expenses were capitalized during the first quarter.

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 first three months of 2005, the Company has recorded a stock-based compensation expense totalling $98,000 or $0.28 per boe compared to $62,000 or $0.33 per boe for the first quarter of 2004.

Depletion, depreciation and accretion The provision for depletion, depreciation and accretion was $3.8 million or $11.04 per boe for the three months ended March 31, 2005. This compares to a first quarter 2004 provision of $1.9 million or $10.17 per boe. Per unit depletion has increased in 2005 due to an increase in the average cost of the Company adding reserves over the past year.

Net income Net income increased to $4.3 million in the first quarter representing a 154% increase over the first quarter of 2004. On a per share basis net income was $0.16 per basic share and $0.14 per diluted share compared to $0.07 basic and $0.06 diluted in the first quarter of 2004. The Company's increase in net income was the result of increased production from new wells, higher commodity prices and a reduction in costs.

Liquidity and Capital Resources At March 31, 2005 the Company had drawn $6.0 million on its bank lines and had a working capital deficiency of $9.1 million. In April 2005, the Company and its bank agreed to increase the amount available under the Company's demand operating facility to $60 million and correspondingly reduced the applicable scheduled margins. All other terms remained consistent with the prior agreement.

In February the Company renounced $8.8 million of Canadian tax deductions to purchasers of the Company's December 2004 flow-through share issue. The future tax impact of this renouncement was charged to the Company's future tax liability and share capital in the first quarter.

During the quarter the Company increased its capital budget from $60 million to $80 million. The Company intends to finance its 2005 capital expenditures through a combination of cash flow from operations, the Company's available bank facility and the proceeds from the expected exercise of existing Common Share purchase warrants.

As at May 11, 2005, 26,780,684 Common Shares and 1,864,000 Class C Performance Shares of the Company were outstanding along with 400,500 options and 3,635,000 warrants to acquire Common Shares of the Company.

Operations and Capital Expenditures During the first quarter Crew successfully drilled eight (6.8 net) natural gas wells and completed 16 (12.1 net) wells that had been drilled in previous quarters. The Company also continued to add to its infrastructure, spending 30% of its first quarter capital expenditures on the construction of gas processing, compression equipment and gathering systems at Ferrier, Wimborne and Edson. In addition, the Company spent $3.0 million acquiring prospective lands in its main operating areas in central Alberta through Crown land sales and freehold acquisitions. Total exploration and development expenditures for the first quarter of 2005 were $21.6 million compared to $11.8 million for the first three months of 2004. The expenditures are detailed below:

(thousands)	**Three months ended March 31, 2005**	**Three months ended March 31, 2004**
Land	**$ 3,015**	**$ 886**
Seismic	**960**	**267**
Drilling and completions	**10,560**	**7,389**
Facilities, equipment and pipelines	**6,767**	**2,983**
Other	**338**	**244**
Total	**$21,640**	**$11,769**

Quarterly Analysis The following table summarizes the Crew's key quarterly financial results from the commencement of the Company's operations on September 2, 2003 to December 31, 2004:

($ thousands, except per share amounts)	**March 31, 2005**	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	March 31, 2004	Dec. 31, 2003	Sept. 30, 2003
Petroleum and natural gas sales	**16,035**	12,721	9,194	8,328	7,459	6,086	1,500
Funds flow from operations	**10,463**	8,330	5,906	5,171	4,669	3,814	798
Per share – basic	**0.39**	0.33	0.23	0.21	0.20	0.17	0.03
– diluted	**0.33**	0.28	0.20	0.18	0.18	0.15	0.03
Net income	**4,288**	3,358	2,064	1,840	1,686	1,258	307
Per share – basic	**0.16**	0.13	0.08	0.07	0.07	0.05	0.01
– diluted	**0.14**	0.11	0.07	0.07	0.06	0.05	0.01
Total daily production (boe/d)	**3,833**	3,112	2,428	2,160	2,068	1,911	1,529

Crew has successfully grown its production since its inception in September 2003 through organically generated exploration and development drilling. The Company's financial performance has also been supported by rising commodity prices throughout this period.

Dated as of May 11, 2005

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

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

Financial statements for the three month period ended March 31, 2005 are attached.

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CREW ENERGY INC.
Consolidated Balance Sheets
(thousands)

		March 31, 2005 (unaudited)		December 31, 2004
Assets				
Current Assets:				
Cash and cash equivalent	$	**-**	$	7,069
Accounts receivable		**13,003**		11,346
		13,003		18,415
Property, plant and equipment (note 2)		**95,466**		77,123
	$	**108,469**	$	95,538
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities	$	**22,066**	$	22,297
Bank loan (note 4)		**6,038**		-
		28,104		22,297
Asset retirement obligations (note 3)		**5,397**		4,984
Future income tax liability		**7,943**		2,675
Shareholders' Equity				
Share capital (note 5)		**51,378**		54,382
Contributed surplus (note 5)		**846**		687
Retained earnings		**14,801**		10,513
		67,025		65,582
	$	**108,469**	$	95,538

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.
Consolidated Statements of Operations and Retained Earnings
(unaudited) (thousands, except per share amounts)

		Three months ended March 31, 2005		Three months ended March 31, 2004
Revenue				
Petroleum and natural gas sales	$	**16,035**	$	7,459
Royalties (net of Alberta Royalty Tax Credit)		**(3,539)**		(1,656)
Other revenue		**41**		38
		12,537		5,841
Expenses				
Operating		**1,336**		759
Transportation		**441**		222
General and administrative		**283**		176
Stock-based compensation		**98**		62
Depletion, depreciation and accretion		**3,808**		1,914
		5,966		3,133
Income before taxes		**6,571**		2,708
Taxes				
Capital		**14**		15
Future		**2,269**		1,007
		2,283		1,022
Net income		**4,288**		1,686
Retained earnings, beginning of period		**10,513**		1,565
Retained earnings, end of period	$	**14,801**	$	3,251
Per share amounts (note 5(d))				
Basic	$	**0.16**	$	0.07
Diluted	$	**0.14**	$	0.06

See accompanying notes to the consolidated financial statements.

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

	Three months ended March 31, 2005	Three months ended March 31, 2004
Cash provided by (used in):		
Operating activities:		
Net income	**$ 4,288**	$ 1,686
Items not involving cash:		
Stock-based compensation	**98**	62
Depletion, depreciation & accretion	**3,808**	1,914
Future income taxes	**2,269**	1,007
Funds flow from operations	**10,463**	4,669
Change in non-cash working capital	**(1,813)**	1,098
	8,650	5,767
Financing activities:		
Increase in bank loan	**6,038**	-
Re-purchase of common shares	**(42)**	-
	5,996	-
Investing activities:		
Exploration and development	**(21,640)**	(11,769)
Change in non-cash working capital	**(75)**	5,173
	(21,715)	(6,596)
Change in cash and cash equivalents	**(7,069)**	(829)
Cash and cash equivalents, beginning of period	**7,069**	7,721
Cash and cash equivalents, 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, 2005 and March 31, 2004
(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, 2004. The disclosure which follows is incremental to the disclosure included with the December 31, 2004 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, 2004.

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

2. Property, plant and equipment:

March 31, 2005	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	$ 110,086	$ 14,620	$ 95,466

December 31, 2004	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	$ 88,054	$ 10,931	$ 77,123

The cost of unproven lands at March 31, 2005 of $12,346,000 (2004 - $5,972,000) has been excluded from the depletion calculation.

During the three months ended March 31, 2005, $384,000 (2004 – $238,000) of corporate expenses related to exploration and development activities were capitalized.

3. Asset retirement obligations:

Crew has estimated the net present value of its total asset retirement obligation as at March 31, 2005 to be $5,397,000 (2004 - $4,149,000) based on a total future liability of $10,629,000 (2004 - $7,908,000). These payments are expected to be made over the next 33 years. An 8% (2004 – 8%) interest rate and 2% (2003 – 2%) inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

	2005
Carrying amount, beginning of period	$ 4,984
Increase in liabilities during the period	294
Accretion expense	119
Carrying amount, end of period	$ 5,397

4. Bank loan:

In April 2005 the Company and its bank agreed to increase the maximum amount of its operating facility to $60 million. This facility is available by way of prime rate based loans or bankers acceptances and bears 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 petroleum and natural gas assets.

Cash interest income received during the three months ended March 31, 2005 totalled $10,000 (2004 - $38,000). Interest expense paid during the quarter totalled $8,000.

5. Share capital:

(a) Common Shares:

	Number of shares	Amount
Common shares, December 31, 2004	26,781	$ 54,363
Exercise of Class C, performance shares	4	3
Buy-back of common shares	(4)	(8)
Flow through shares tax adjustment	-	(2,999)
Common shares, March 31, 2005	**26,781**	**$ 51,359**

(b) Contributed Surplus:

	Amount
Contributed surplus, December 31, 2004	687
Exercise of Class C, performance shares	(3)
Stock-based compensation	195
Buy-back of common shares	(33)
Contributed surplus, March 31, 2005	**$ 846**

(c) Stock-based compensation:

During the first three months of 2005, the Company recorded $195,000, (2004 - $125,000) of compensation expense related to the performance shares and stock options, of which $98,000, (2004 - $63,000) was capitalized in accordance with the Company's full cost accounting policy.

(i) Performance shares

	Number of shares	Amount
Class C, performance shares, December 31, 2004	1,869	19
Converted to Common shares	(5)	--
Class C, performance shares, March 31, 2005	**1,864**	**$ 19**

ii) Stock options

The fair value of the stock options granted during the three months ended March 31, 2005 as calculated by the Black-Scholes method was $3.36 (2004 - $1.53) per option.

	Number of Options	Price Range	Weighted average exercise price
Balance December 31, 2004	364	$3.50 to $7.90	$ 6.51
Granted	36	8.25	8.25
Balance March 31, 2005	400	$3.50 to $8.25	$ 6.67

(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 period ended March 31, 2005 was 26,781,000 (March 31, 2004 - 22,981,000).

In computing diluted earnings per share for the three months ended March 31, 2005, 4,612,000 (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.

(e) Flow through shares

On December 2, 2004, the Company completed the private placement issue of 800,000 flow-through shares at a price of $11.00 for gross proceeds of $8.8 million. Pursuant to the terms of the flow-through arrangement, the Company renounced $8.8 million of Canadian tax deductions and recorded the future tax liability associated with this renouncement in the first quarter of 2005.