Q2

Operating and financial results for the three and six month period ended June 30, 2008.

2008

HIGHLIGHTS

- Second quarter production of 9,445 boe per day yielded record funds from operations of $34.1 million, a 63% increase over the second quarter of 2007 and funds from operations per share was up 30% to $0.60 per share;
- Maintained a strong balance sheet reducing net debt by $13.4 million from the end of the first quarter of 2008 to $125 million on a current bank facility of $210 million;
- Continued an aggressive land acquisition strategy on key resource plays in northeast British Columbia as well as initiating drilling operations on the Company's Septimus, British Columbia property;
- Completed a $66.75 million bought deal equity financing on May 1, 2008;
- On May 12, 2008, closed the acquisition of 102 net sections of Montney formation mineral rights in the Company's core area in northeast British Columbia for $63.1 million;
- On June 23, 2008, announced an arrangement agreement to acquire all of the issued and outstanding shares of Gentry Resources Ltd.

FINANCIAL *($ thousands, except per share amounts)*	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Petroleum and natural gas sales	**60,316**	38,703	**111,705**	68,134
Funds from operations (1)	**34,102**	20,885	**63,140**	37,872
Per share - basic	**0.60**	0.46	**1.14**	0.87
- diluted	**0.58**	0.46	**1.12**	0.87
Net income	**5,415**	1,351	**6,356**	2,670
Per share - basic	**0.09**	0.03	**0.11**	0.06
- diluted	**0.09**	0.03	**0.11**	0.06
Exploration and development expenditures	**22,564**	11,355	**71,666**	45,674
Property acquisitions (net of dispositions)	**63,110**	(59)	**71,756**	2
Business acquisition	**–**	137,456	**–**	137,456
Total capital investment	**85,674**	148,752	**143,422**	183,132

CAPITAL STRUCTURE *($ thousands)*	**As at June 30, 2008**	As at Dec. 31, 2007
Working capital deficiency (2)	**5,652**	14,643
Bank loan	**119,348**	95,028
Net debt	**125,000**	109,671
Bank facility	**210,000**	180,000
Common Shares Outstanding *(thousands)*	**58,910**	53,577

Notes:

(1) Funds from operations is calculated as cash provided by operating activities, adding the change in non-cash working capital, asset retirement expenditures and the transportation liability charge. 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.

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

OPERATIONS	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Daily production				
Light oil and ngl (bbl/d)	**1,845**	1,446	**1,921**	1,457
Natural gas (mcf/d)	**45,599**	45,128	**48,653**	38,803
Oil equivalent (boe/d @ 6:1)	**9,445**	8,967	**10,030**	7,924
Average prices (1)				
Light oil and ngl ($/bbl)	**90.01**	58.96	**79.98**	55.40
Natural gas ($/mcf)	**10.60**	7.54	**9.32**	7.62
Oil equivalent ($/boe)	**70.18**	47.43	**61.19**	47.51
Operating expenses				
Light oil and ngl ($/bbl)	**7.59**	6.29	**6.89**	5.93
Natural gas ($/mcf)	**1.27**	1.02	**1.22**	1.03
Oil equivalent ($/boe @ 6:1)	**7.60**	6.16	**7.23**	6.11
Netbacks				
Operating netback ($/boe) (2)	**45.05**	29.12	**38.75**	29.39
Realized loss on financial instruments	**2.61**	0.09	**1.28**	0.05
G&A ($/boe)	**1.14**	1.09	**1.11**	1.08
Interest and other ($/boe)	**1.61**	2.35	**1.78**	1.85
Funds from operations ($/boe)	**39.69**	25.59	**34.58**	26.41
Drilling Activity				
Gross wells	**7**	1	**19**	11
Working interest wells	**7.0**	1	**16.8**	10.5
Success rate, net wells	**86%**	100%	**94%**	100%

Notes:

(1) Average prices are before deduction of transportation costs.

(2) Operating netback equals petroleum and natural gas sales less royalties, operating costs and transportation costs calculated on a boe basis. Operating netback and funds from operations netback do not have a standardized measure prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.

OVERVIEW

The second quarter of 2008 was highlighted by record funds from operations of $34.1 million and funds from operations per share of $0.60. Crew's production of 9,445 boe per day was reduced by wet weather, a number of facilities, including the McMahon gas plant, experiencing scheduled and unscheduled downtime and a higher decline rate from the Company's (42.5% WI) Hanlan gas well. The Company drilled seven (7.0 net) wells with an 86% success rate. Crew closed the acquisition of 102 net sections of Montney rights in northeast British Columbia and completed a $66.75 million bought deal equity financing to fund the acquisition. On June 23, 2008, Crew and Gentry Resources Ltd. ("Gentry") jointly announced an arrangement agreement whereby Crew would acquire all of the issued and outstanding shares of Gentry. Closing of the arrangement agreement is anticipated in late August and is expected to add approximately 12.5 million boe of proved and probable reserves.

OPERATIONAL UPDATE

Edson, Alberta

Crew did not drill any wells at Edson in the second quarter due to wet surface conditions. Crew plans to drill a minimum of two horizontal wells at Edson during the remainder of the year, one of which has been drilled in the third quarter and awaits completion and the second is currently drilling. These wells at Edson are Crew's first to be completed using multiple fracture stimulations and if successful could lead to broad application on Crew's 27 sections of land which are all in close proximity to Company owned infrastructure. Crew was recently informed that the Suncor

operated gas facility in which Crew owns a 15% working interest will undergo a 14 day turnaround in September. Crew currently has approximately 1,700 boe per day of production processed through this facility. The Company is working on re-routing approximately 1,400 boe per day of production through a third party facility during this turnaround to minimize the impact on Crew's third quarter production.

Pine Creek, Alberta

Crew did not drill any wells in the second quarter at Pine Creek. Like Edson, Pine Creek was subject to wet ground conditions which prevented the Company from conducting field operations. Crew is currently completing one well and is drilling its first long reach horizontal well in the area. The Company is well positioned to add production in this area with the first quarter expansion of its 100% owned gas facility to 15 mmcf per day of capacity. The Company has discovered an eight kilometer long gas charged channel over its lands which it plans on developing in 2009. Crew has also discovered an oil pool in the first quarter. The discovery well is currently producing approximately 90 boe per day after five months of production. Based on pressure data and three-dimensional seismic mapping, the pool could be approximately 960 acres in size, resulting in up to 12 drilling locations on 80 acre spacing. The Company plans to drill one to two wells on this play before year end.

Viking-Kinsella, Alberta

Crew drilled two net gas wells and one dry and abandoned well in this area in the second quarter. The two gas wells are currently producing approximately 2.1 mmcf per day. Crew is currently tying in solution gas from its first quarter oil discoveries which is expected to increase production by 40 to 50 boe per day and allow for future wells to produce without restrictions. The Company has constructed an oil battery and expects to drill five to six horizontal development wells by year end with anticipated production rates of 60 to 100 boe per well.

Hanlan, Alberta

Crew's (WI - 42.5%) fourth quarter 2007 gas discovery has declined to 1.5 to 3 mmcf per day with reservoir flow characteristics exhibiting a high permeability zone in close proximity to the well bore and low permeability at greater distances from the well bore. Crew's initial 14-35 discovery continues to produce at approximately 6 mmcf per day and has cumulative production of 4.2 bcf since it started production in January 2007. Crew has two further recompletion opportunities in the area with interests of 42.5% and 50%, one of which is expected to be recompleted in the fourth quarter of 2008.

Carrot Creek, Alberta

This is a full cycle exploration area that the Company has taken from an exploration concept to a new core area with a 34 section land position in one year. Current production is estimated to be 500 boe per day from four (4.0 net) wells. Based on drilling success Crew has an inventory in excess of 21 drilling locations identified on this liquids rich natural gas play. In the first quarter of 2008, Crew purchased a 100% interest in a 5.5 mmcf per day gas plant, associated pipeline infrastructure and approximately 100 boe per day of production. The acquisition of this facility is expected to reduce area operating costs to approximately $4.00 per boe. Crew drilled two wells in the second quarter. The first has production tested at approximately 110 boe per day and the second is currently being completed. Crew plans on drilling two to three additional wells in 2008 at Carrot Creek.

Inga, British Columbia

Crew (WI - 100%) drilled a horizontal well at Inga in the first quarter. The tie-in of this well was delayed by wet weather and regulatory approvals and is expected to be on production by the end of August at three to four mmcf per day. As a result of this success, Crew has identified eight drilling locations in the area, three of which are expected to be drilled in the third quarter with the first currently drilling. The Company's goal is to have seven to eight mmcf per day producing from this area through Crew owned facilities by year end.

Yoyo, British Columbia

Crew has six drilling locations identified in this area. The Company (WI – 75%) has recently drilled a horizontal gas well that tested at a rate of 2.5 to 3.5 mmcf per day. The well is close to Company owned infrastructure and is expected to be tied in early in the fourth quarter.

EXPLORATION

Strachan, Alberta

At Strachan, Alberta Crew (WI - 15% bpo, 46.5% apo) plans to drill a 3,700 meter Leduc prospect. After a lengthy delay, this well is scheduled to be drilled in the first quarter of 2009 and is currently awaiting licensing which is expected shortly as all surface and regulatory issues have been resolved. Successful wells in the area have produced ten to several hundred bcf of gas with high daily production rates. Crew has also purchased land on another Leduc reef prospect and is in the process of obtaining a drilling license.

West Brazeau, Alberta

Crew (WI - 37.5% to 100%) is targeting thrusted Belly River sandstone reservoirs on 34 sections of land the Company has accumulated at West Brazeau. Crew (WI – 37.5%) has drilled its first well on this prospect that is now on production at 2.4 to 3.3 mmcf per day. Crew has identified up to 14 net drilling locations on this play and expects to drill up to five wells in 2008.

Colt, British Columbia

Crew (WI - 100%) has assembled by way of Crown land acquisitions a five section block of land over a large foothills structure. This 3D seismically defined feature has been interpreted to have 125 to 200 meters of structural closure over an area encompassing 2,200 acres. An offsetting well on a similar structure is currently producing 21 to 25 mmcf per day. Crew has identified three locations on this play with conventional natural gas resource potential of over 120 bcf mapped with the primary target being the Mississippian Debolt formation.

EMERGING RESOURCE PLAYS

Triassic Montney Play

As a result of its extensive land holdings controlling 158 sections of land, Crew has had an active second and third quarter program. The results to date included:

1) The first horizontal well which was drilled to an 867 meter horizontal length and subsequently completed. This well is currently testing into a sales pipeline at initial rates of 600 mcf per day and has since been producing at 650 to 850 mcf per day. This well continues to cleanup with over 1,200 bbls of completion fluid left to recover.

2) The second horizontal well at Septimus has been cased to a horizontal length of 1,250 meters and is waiting on the commencement of completion operations.

3) The third horizontal well is currently drilling.

4) Crew, as operator, has drilled or tested three other Montney wells. These wells are in areas where there are additional land acquisition opportunities and the Company is expected to be in a position to discuss the results of some of these operations later in 2008.

The upper Montney in the wells drilled to date has a thickness of 145 to 770 feet while the lower Montney has encountered a thickness of 330 to 630 feet. Crew will continue to evaluate its Montney land holdings with up to 16 wells and a large 30 square-mile three-dimensional seismic program planned through spring breakup 2009.

Horn River Basin/Cordova Embayment

Muskwa Devonian Shale Gas Play

Crew has 16 net sections of land on this shale gas play. The Muskwa Shale is approximately 500 feet thick and has gained a significant amount of attention since announcements by industry participants of their successful drilling and testing of the Muskwa Shale in the Horn River Basin. It was noted in one of those announcements that they attribute a resource of 265 to 318 bcf of natural gas per section on their lands in a specific geographic area. Their resource estimates were based on well test and petrophysical data derived from a drilling program targeting the Devonian aged Muskwa Shales in the area. A recent announcement by an industry participant of production rates of five to eight mmcf per day from three horizontal wells, two of which directly offset Crew's lands, lends further

support for the prospectivity of Crew's land base. Vertical wells in area have tested at rates of 0.75 to 2.5 mmcf per day. This play is in its infancy but does appear to be prospective over a large area in a relatively homogeneous geologic environment.

OUTLOOK

Business Environment

Natural gas prices were very strong in the second quarter of 2008 and have since declined over 30%. Natural gas prices currently trade at levels much higher than the same period of 2007 with longer term fundamentals remaining strong. North American LNG imports have declined from 2007 levels as strong growth in continental United States gas well drilling and production have created an environment where LNG shipments have been directed to higher priced markets in Europe and Asia. Our view remains that natural gas will continue to have an increasingly important role in supplying North American energy needs as industrial demand grows, the world concentrates on cleaner burning energy sources and the continuing globalization of the commodity. These factors combined with the ever increasing proportion of natural gas produced from tight gas reservoirs which are generally characterized by very high initial decline rates suggest our industry should be busy for the foreseeable future.

In our first quarter report, we highlighted the industry rush into resource style plays and the impending scarcity of available acreage. This was recently supported by British Columbia's recent Crown land sales in May, June and July, where land prices on the Triassic Montney play have increased to over $13,000 per acre. Crew is very well positioned in this play with over 100,000 acres of land under control.

Balance Sheet is Strengthened and Production Growth Continues

During the second quarter, Crew reduced its net debt by $13.4 million to $125 million on a credit facility of $210 million. This represents a 0.9 times annualized second quarter funds from operations to net debt ratio, which allows ample room to increase its capital expenditure program. Crew currently has a $150 million exploration and development capital budget and has spent approximately $72 million on acquisitions in 2008.

On June 23, 2008, Crew announced an arrangement agreement to acquire all of the outstanding shares of Gentry Resources Ltd. The meeting of Gentry's shareholders to vote on the plan of arrangement is scheduled for August 21, 2008 and if approved the acquisition is expected to close by the end of August. The acquisition of Gentry is expected to increase the Company's acquisition total to approximately $369 million for 2008. With the successful completion of the Gentry transaction, Crew's average production for 2008 is expected to be 12,400 to 13,400 boe per day with a planned exit rate of 17,000 to 18,000 boe per day which at its midpoint would constitute a 65% increase in production over the first quarter of 2008.

Active Drilling Program

Crew expects to have a very active third and fourth quarter with five drilling rigs and six service rigs currently at work and up to 45 wells scheduled. The Company continues to test its resource plays in northeast British Columbia and develop its properties in Alberta which will provide attractive economic returns under Alberta's New Royalty Framework. With Crew now exposed to over 9 tcf of resource potential on its lands, the focus will be to unlock this value. We look forward to reporting our progress on a number of these initiatives in the third quarter report.

CAUTIONARY STATEMENT – The information provided above includes references to discovered and undiscovered natural gas resources. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resource.

On behalf of the Board,

Dale Shwed
President and C.E.O.
August 11, 2008

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 and six month periods ended June 30, 2008 and 2007 and the audited consolidated financial statements and MD&A for the year ended December 31, 2007. 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, the timing of those expenditures and the method of funding thereof, available bank lines, production estimates, wells to be drilled, timing of drilling, tie-in and completion of wells and the production resulting therefrom, expected royalty rates, transportation costs and operating costs, and the taxability of the Company, 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, except as may be required by applicable securities laws.

Conversions

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

Throughout this MD&A, Crew has used the 6:1 boe measure which is the approximate energy equivalency of the two commodities at the burner tip. Boe does not represent a value equivalency at the plant gate which is where Crew sells its production volumes and therefore may be a misleading measure if used in isolation.

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, asset retirement expenditures and the transportation liability charge. 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 provided by 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.

($ thousands)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Cash provided by operating activities	**31,908**	24,467	**61,448**	39,483
Asset retirement expenditures	**323**	4	**631**	14
Transportation liability charge	**328**	188	**657**	188
Change in non-cash working capital	**1,543**	(3,774)	**404**	(1,813)
Funds from operations	**34,102**	20,885	**63,140**	37,872

Management also uses netback, a non-GAAP term, to analyze operating performance. Netback equals total petroleum and natural gas sales less royalties, operating costs and transportation calculated on a boe basis.

RESULTS OF OPERATIONS

Production

	Three months ended June 30, 2008			Three months ended June 30, 2007		
	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	**1,280**	**29,965**	**6,274**	1,218	32,760	6,678
North Core	**565**	**15,634**	**3,171**	228	12,368	2,289
Total	**1,845**	**45,599**	**9,445**	1,446	45,128	8,967

Second quarter 2008 production increased over the second quarter of 2007 as a result of a successful drilling program that added new natural gas liquid ("ngl") rich natural gas production in the Edson, Pine Creek, Carrot Creek and Hanlan areas and the closing of a private company acquisition in May 2007. The acquisition added mainly natural gas production in the Company's northeastern British Columbia operating area. These additions were partially offset by decreased production due to scheduled third party facility downtime in northeastern British Columbia and unscheduled facility downtime in six other facilities in Alberta and British Columbia during the quarter.

	Six months ended June 30, 2008			Six months ended June 30, 2007		
	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	**1,362**	**34,255**	**7,071**	1,265	31,867	6,576
North Core	**559**	**14,398**	**2,959**	192	6,936	1,348
Total	**1,921**	**48,653**	**10,030**	1,457	38,803	7,924

Production for the first six months of 2008 increased as a result of the previously mentioned successful drilling program and the private company acquisition in northeastern British Columbia.

Revenue

	Three months ended June 30, 2008	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Revenue *($ thousands)*				
Natural gas	**43,999**	30,944	**82,542**	53,525
Light oil and ngl	**15,110**	7,759	**27,956**	14,609
Sulphur	**1,207**	–	**1,207**	–
Total	**60,316**	38,703	**111,705**	68,134
Crew average prices				
Natural gas ($/mcf)	**10.60**	7.54	**9.32**	7.62
Light oil and ngl ($/bbl)	**90.01**	58.96	**79.98**	55.40
Oil equivalent ($/boe)	**70.18**	47.43	**61.19**	47.51
Benchmark pricing				
Natural Gas – AECO C daily index (Cdn $/mcf)	**10.35**	7.35	**9.22**	7.57
Oil and ngl – Light Sweet @ Edmonton (Cdn $/bbl)	**126.12**	71.09	**111.87**	69.08

Crew's second quarter 2008 revenue increased by 56% over the second quarter of 2007 due to a 48% increase in the Company's commodity pricing and a 5% increase in volumes. In the second quarter of 2008, the Company's average natural gas price increased 41% consistent with the increase in the Company's benchmark price. The sales price for the Company's light oil and ngl increased 53% in the second quarter of 2008 as compared to the benchmark increase of 77%. The discrepancy was a result of additional lower value ethane production in the second quarter of 2008 in the Company's Ferrier, Alberta and northeastern British Columbia areas. Ethane prices do not increase proportionately with the Company's benchmark prices.

For the first six months of 2008, revenue increased 64% over the same period in 2007 due to increased production and commodity pricing. The Company's natural gas price and the benchmark price both increased 22% over 2007 while the price received for the Company's light oil and ngl increased 44% compared with a 62% increase in the benchmark pricing in the same period in 2007 as a result of the increased ethane production as described earlier.

Royalties

($ thousands, except per boe)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Royalties	**13,148**	8,040	**23,769**	14,811
Per boe	**15.30**	9.85	**13.02**	10.33
Percentage of revenue	**21.8%**	20.8%	**21.3%**	21.8%

Royalties as a percentage of revenue increased in the second quarter of 2008 compared to the second quarter of 2007 due to higher royalties from new production in the Company's Ferrier area. In the first six months of 2008, royalties as a percentage of revenue are slightly lower compared to the same period in 2007 due to lower royalty rates on the assets acquired in the May, 2007 corporate acquisition.

Financial Instruments

On occasion, the Company will enter into commodity price risk management contracts in order to reduce volatility in financial results, to protect acquisition economics and to ensure a certain level of cash flow to fund planned capital projects. Crew's strategy focuses on the use of natural gas price "puts" and costless "collars" to limit exposure to downturns in commodity prices, while allowing for participation in commodity price increases. The Company's financial derivative trading activities are conducted pursuant to the Company's Risk Management Policy approved by the Board of Directors.

($ thousands)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Realized loss on financial instruments	**(2,242)**	(68)	**(2,330)**	(68)
Unrealized gain (loss) on financial instruments	**(5,260)**	959	**(10,426)**	959
	(7,502)	(891)	**(12,756)**	(891)

As at June 30, 2008, the Company had entered into direct sales agreements to sell natural gas as follows:

	Volume (gj/day)	Term	Price (Cdn $/gj)	Floor (Cdn $/gj)	Ceiling (Cdn $/gj)	Fair Value ($ thousands)
AECO	10,000	April 1, 2008 –October 31, 2008	AECO C – Monthly Index	$ 7.00	$ 8.00	(4,180)
AECO	10,000	April 1, 2008 –October 31, 2008	AECO C – Daily Average	$ 7.00	$ 8.30	(3,882)
AECO	10,000	April 1, 2008 –October 31, 2008	AECO C – Monthly Index	$ 7.50	$ 9.25	(2,576)
AECO/Station 2 Differential Swap	10,000	Nov. 1, 2007 – October 31, 2008	AECO C – Daily Average less $0.16	–	–	(211)
						(10,849)

Operating Costs

($ thousands, except per boe)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Operating costs	**6,532**	5,024	**13,205**	8,768
Per boe	**7.60**	6.16	**7.23**	6.11

In the second quarter and first half of 2008, the Company's operating costs per unit increased 23% and 18%, respectively over the second quarter and first half of 2007 as a result of continued inflationary pressures and the facility outages in the Company's lower cost areas. With the facility outages, fixed costs continued to be incurred thus increasing Crew's costs per boe. In addition, increased fuel costs predominantly in the Sierra area in northeastern British Columbia negatively affected operating costs. The Company has also experienced an increase in third party processing fees in the Viking and Plain Lake areas. Second quarter and year to date operating costs were higher than the expected 2008 annual range of $6.50 to $6.90 as a result of the unscheduled facility outages, the higher than expected third party processing fees and increased fuel costs. As a result of the higher costs experienced in the first half of 2008, the Company has increased its estimate of second half operating costs to between $7.00 and $7.25 per boe.

Transportation

($ thousands, except per boe)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Transportation costs	**1,921**	1,878	**3,992**	2,411
Per boe	**2.23**	2.30	**2.19**	1.68

The Company's second quarter 2008 decrease in transportation costs per boe is a result of a decrease in the Company's firm transportation commitments in northeastern British Columbia. The Company has transferred some of its unutilized firm transportation commitments that were acquired in its May 2007 corporate acquisition, to a third party. In the first six months of 2008, the increase in transportation costs per boe is the result of the Company's May, 2007 acquisition of a private company with natural gas production mainly in northeast British Columbia which has a higher transportation cost. In northeast British Columbia, natural gas is produced into a third party owned gathering and processing infrastructure that enables producers to avoid facility construction. The all-in regulated fees charged for gathering, processing and transmission of the Company's natural gas through this system is included in transportation expense.

Operating Netbacks

	Three months ended June 30, 2008			Three months ended June 30, 2007		
	Oil and ngl ($/bbl)	**Natural gas ($/mcf)**	**Total ($/boe)**	Oil and ngl ($/bbl)	Natural gas ($/mcf)	Total ($/boe)
Revenue	**90.01**	**10.60**	**70.18**	58.96	7.54	47.43
Royalties	**(21.59)**	**(2.24)**	**(15.30)**	(12.24)	(1.57)	(9.85)
Operating costs	**(7.59)**	**(1.27)**	**(7.60)**	(6.29)	(1.02)	(6.16)
Transportation costs	**(0.81)**	**(0.43)**	**(2.23)**	(0.85)	(0.43)	(2.30)
Operating netbacks	**60.02**	**6.66**	**45.05**	39.58	4.52	29.12

	Six months ended June 30, 2008			Six months ended June 30, 2007		
	Oil and ngl ($/bbl)	**Natural gas ($/mcf)**	**Total ($/boe)**	Oil and ngl ($/bbl)	Natural gas ($/mcf)	Total ($/boe)
Revenue	**79.98**	**9.32**	**61.19**	55.40	7.62	47.51
Royalties	**(19.10)**	**(1.91)**	**(13.02)**	(12.28)	(1.65)	(10.33)
Operating costs	**(6.89)**	**(1.22)**	**(7.23)**	(5.93)	(1.03)	(6.11)
Transportation costs	**(0.71)**	**(0.42)**	**(2.19)**	(1.01)	(0.31)	(1.68)
Operating netbacks	**53.28**	**5.77**	**38.75**	36.18	4.63	29.39

General and Administrative

($ thousands, except per boe)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Gross costs	**2,454**	1,938	**5,088**	3,829
Operator's recoveries	**(486)**	(157)	**(1,034)**	(732)
Capitalized costs	**(984)**	(890)	**(2,027)**	(1,548)
General and administrative expenses	**984**	890	**2,027**	1,549
Per boe	**1.14**	1.09	**1.11**	1.08

Increased general and administrative costs before recoveries and capitalization was the result of increased staff levels and inflationary pressures on salaries as well as increased rent costs for the Company's additional office space in the second quarter and first half of 2008 compared to the same periods in 2007. The Company's net general and administrative costs in the second quarter and first half of 2008 were reduced by increased operator's recoveries which is a function of increased exploration and development expenditures. The Company continues to forecast annual general and administrative costs per unit at between $1.00 and $1.05 per boe. General and administrative costs per unit are expected to be lower in the second half of 2008 due to forecasted increased production, increased operator's recoveries and lower net costs as most of the Company's annual regulatory and filing costs have now been incurred.

Interest

($ thousands, except per boe)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Interest expense	**1,655**	1,917	**3,510**	2,655
Average debt level	**113,558**	117,720	**109,534**	83,467
Effective interest rate	**5.1%**	6.5%	**6.0%**	6.4%
Per boe	**1.93**	2.35	**1.92**	1.85

Crew's effective interest rate decreased in the second quarter and for the first six months of 2008 compared to 2007 due to the deferred financing costs, incurred in connection with the new credit facility in May 2007, being fully amortized into interest expense by May 2008 as well as lower interest rates.

Stock-Based Compensation

($ thousands)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Gross costs	**1,864**	1,298	**3,572**	2,264
Capitalized costs	**(932)**	(649)	**(1,786)**	(1,132)
Total stock-based compensation	**932**	649	**1,786**	1,132

The Company's stock-based compensation expense has increased in 2008 as a result of an increase in stock options issued due to increased staff levels over the same period in 2007.

Depletion, Depreciation and Accretion

($ thousands, except per boe)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Depletion, depreciation and accretion	**20,650**	19,523	**43,290**	34,373
Per boe	**24.03**	23.93	**23.71**	23.97

Per unit depletion, depreciation and accretion has increased in the second quarter of 2008 due to an increase in accretion expense from the asset retirement obligation acquired in the May 2007 corporate acquisition. For the six months ended June 30, 2008, per unit depletion has decreased due to the Company's successful drilling program in the first half of 2008.

Future Income Taxes

The provision for future income taxes was $1.8 million in the second quarter of 2008 compared to $0.3 million in the same period of 2007. For the first six months of 2008, the future tax expense was $1.3 million compared with $0.7 million for the same period in 2007. The increase in future taxes was a result of higher pre-tax earnings but was partially offset with a corporate rate reduction in British Columbia from 12 percent to 11.5 percent in 2008 and a further reduction to 11 percent in 2009.

Cash and Funds from Operations and Net Income

($ thousands)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Cash provided by operating activities	**31,908**	24,467	**61,448**	39,483
Funds from operations	**34,102**	20,885	**63,140**	37,872
Per share - basic	**0.60**	0.46	**1.14**	0.87
- diluted	**0.58**	0.46	**1.12**	0.87
Net income	**5,415**	1,351	**6,356**	2,670
Per share - basic	**0.09**	0.03	**0.11**	0.06
- diluted	**0.09**	0.03	**0.11**	0.06

The Company's increase in cash provided by operating activities and funds from operations for the second quarter of 2008 and the first half of 2008 was the result of the increased production levels and increased commodity pricing. The corresponding increase in net income was limited by unrealized losses on financial instruments from the Company's Risk Management program.

Capital Expenditures and Acquisitions

During the second quarter, the Company drilled seven (7.0 net) wells resulting in five successful natural gas wells, one light oil well and one dry and abandoned well. In addition, the Company also closed an acquisition of 102.2 net sections of Montney formation rights in northeastern British Columbia for $63.1 million adding to its inventory of undeveloped land in northeastern British Columbia.

Total exploration and development expenditures for the second quarter of 2008 were $22.6 million compared to $11.4 million for the same period in 2007. The expenditures are detailed below:

($ thousands)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Land	**2,201**	1,114	**20,065**	4,269
Seismic	**355**	960	**1,477**	1,652
Drilling and completions	**13,501**	4,950	**36,157**	27,788
Facilities, equipment and pipelines	**5,048**	3,303	**11,395**	10,212
Other	**1,459**	1,028	**2,572**	1,753
Total exploration and development	**22,564**	11,355	**71,666**	45,674
Property acquisitions (dispositions)	**63,110**	(59)	**71,756**	2
Business acquisition	**–**	137,456	**–**	137,456
Total	**85,674**	148,752	**143,422**	183,132

The Company has budgeted exploration and development expenditures for 2008 of $150 million and combined with the Company's 2008 property acquisitions, total capital expenditures are expected to be approximately $222 million. This does not include an amount for the proposed Gentry acquisition which is scheduled to close later in August.

LIQUIDITY AND CAPITAL RESOURCES

Capital Funding

Funding for the Company's second quarter 2008 capital expenditure program came from a combination of bank debt, cash flow from on-going operations and the closing of an equity issue in May, 2008.

On May 1, 2008, Crew issued 5,000,000 Common shares at an issue price of $13.35 per share for total net proceeds of approximately $63.2 million. The proceeds were used to acquire 102.2 net sections of Montney rights in northeastern British Columbia for $63.1 million.

The Company currently has a credit facility with a syndicate of banks. The Company's bank facility consists of a revolving line of credit of $195 million and an operating line of credit of $15 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 15, 2009. If not extended, the Facility will cease to revolve, and all outstanding balances under the Facility will become payable within one year. At June 30, 2008, the Company had drawings of $119.3 million on the Facility.

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 June 30, 2008, the Company's working capital deficiency including only accounts receivable and accounts payable and accrued liabilities totaled $5.7 million which, when combined with the drawings on its bank line, represented 60% of its available bank facility at that time.

Share Capital

On May 1, 2008, Crew issued 5,000,000 Common shares at an issue price of $13.35 per share for total net proceeds of approximately $63.2 million.

On October 25, 2007, the Company closed a public offering resulting in the issuance of 6,042,360 shares for aggregate proceeds of $54.5 million ($51.5 million net of issue costs). Of the shares issued, 1,860,500 shares were issued on a flow through basis in which the Company committed to renounce to the purchasers certain Canadian income tax deductions totalling $20.0 million. At June 30, 2008, the Company had renounced all required income tax deductions and had incurred $16.1 million of qualifying expenditures under this flow through offering with $3.9 million to be incurred before December 31, 2008.

On June 23, 2008, Crew and Gentry Resources Ltd. ("Gentry") jointly announced that they have entered into an Arrangement Agreement whereby, subject to certain conditions, Crew will acquire all of the issued and outstanding shares of Gentry (the "Transaction"). Under the terms of the agreement, Gentry shareholders will receive 0.22 of a Crew common share for each Gentry common share held or an aggregate of approximately 12.4 million shares. Upon completion of the Transaction, Gentry will become a wholly owned subsidiary of Crew and current Gentry shareholders and option holders will own approximately 17% of the combined entity. A special meeting of the Gentry shareholders is scheduled for August 21, 2008 at which time the Gentry shareholders will be asked to approve the Transaction. If approved, and regulatory approval is received, closing of the Transaction is expected on or about August 22, 2008.

As at August 11, 2008, Crew had 58,916,919 Common Shares and 4,123,200 options to acquire Common Shares of the Company issued and outstanding.

Capital Structure

The Company considers its capital structure to include working capital, including accounts receivable and accounts payable and accrued liabilities, bank debt, and shareholders' equity. The Company monitors capital based on the ratio of net debt to annualized funds from operations. The ratio represents the time period it would take to pay off the debt if no further capital expenditures were incurred and if funds from operations remained constant. This ratio is calculated as net debt, defined as outstanding bank debt plus or minus net working capital, divided by funds from operations for the most recent calendar quarter, annualized (multiplied by four). The Company's strategy is to maintain a ratio of no more than 2 to 1.

($ thousands, except ratio)	**June 30, 2008**	December 31, 2007
Accounts receivable	**(34,768)**	(28,588)
Accounts payable and accrued liabilities	**40,420**	43,231
Working capital deficiency	**5,652**	14,643
Bank loan	**119,348**	95,028
Net debt	**125,000**	109,671
Funds from operations	**34,102**	22,390
Annualized	**136,408**	89,560
Net debt to annualized funds from operations ratio	**0.92**	1.22

Contractual Obligations

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

($ thousands)	Total	2008	2009	2010	2011
Bank Loan [(1)]	119,348	–	–	119,348	–
Operating leases	3,217	495	990	990	742
Capital commitments	14,150	9,400	4,750	–	–
Exploration and development	3,900	3,900	–	–	–
Firm transportation agreements	24,251	3,404	7,026	7,243	6,578
Total	164,866	17,199	12,766	127,581	7,320

(1) Based on the existing terms of the Company's bank facility the first possible repayment date may come in 2010. However, it is expected that the revolving bank facility will be extended and no repayment will be required in the near term.

The exploration and development commitment relates to the Company's obligation under its October 25, 2007 flow-through share issue.

The firm transportation commitments were acquired as part of the Company's May, 2007 private company acquisition and represent firm service commitments for transportation and processing of natural gas in British Columbia.

GUIDANCE

We expect a very busy latter half of 2008. Crew expects to drill up to 45 wells in the last half of 2008 and currently has five drilling rigs and six service rigs working. Crew reduced its net debt by $13.4 million to $125 million in the second quarter on a credit facility of $210 million. This represents a 0.9 times annualized second quarter funds from operations to net debt ratio, which allows ample room to increase its capital expenditure program. Crew currently has an $150 million exploration and development capital budget and has spent approximately $72 million on acquisitions in 2008.

On June 23, 2008, Crew announced an arrangement agreement to acquire all of the outstanding shares of Gentry Resources Ltd. Gentry's shareholders meeting to vote on the plan of arrangement is on August 21, 2008. The acquisition of Gentry would increase the Company's acquisition total to approximately $369 million for 2008. With the successful completion of the Gentry transaction, Crew's average production for 2008 is expected to increase to 12,400 to 13,400 boe per day with a planned exit rate of 17,000 to 18,000 boe per day which at its midpoint would constitute a 65% increase in production over the first quarter of 2008.

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)	**June 30 2008**	Mar. 31 2008	Dec. 31 2007	Sept. 30 2007	June 30 2007	Mar. 31 2007	Dec. 31 2006	Sept. 30 2006
Total daily production (boe/d)	**9,445**	10,614	9,641	9,268	8,967	6,869	6,227	5,768
Average wellhead price ($/boe)	**70.18**	53.20	43.90	39.16	47.43	47.61	46.41	41.96
Petroleum and natural gas sales	**60,316**	51,389	38,942	33,390	38,703	29,431	26,590	22,267
Cash provided by operations	**31,908**	29,540	11,882	23,035	24,467	15,016	16,522	11,984
Funds from operations	**34,102**	29,038	22,390	21,171	20,885	16,987	16,705	14,245
Per share – basic	**0.60**	0.54	0.43	0.45	0.46	0.41	0.43	0.41
– diluted	**0.58**	0.54	0.43	0.44	0.46	0.41	0.43	0.40
Net income (loss)	**5,415**	941	6,889	(449)	1,351	1,319	1,796	1,633
Per share – basic	**0.09**	0.02	0.13	(0.01)	0.03	0.03	0.05	0.05
– diluted	**0.09**	0.02	0.13	(0.01)	0.03	0.03	0.05	0.05

Crew's petroleum and natural gas sales, cash and funds from operations and net income are all impacted by production levels and volatile commodity pricing. From 2006 to 2008, despite increasing 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.
- In May 2007, the Company acquired a private oil and gas company with approximately 3,100 boe per day of production at closing, consisting mainly of natural gas in the northeastern British Columbia area.
- In November 2006 the Company acquired a private oil and gas company with approximately 1,000 boe per day of production at closing.
- Production was negatively impacted by scheduled and unscheduled facility outages in Alberta and northeastern British Columbia in the second quarter of 2008 reducing volumes below the first quarter of 2008.
- Revenue and royalties are significantly impacted by underlying commodity prices. Prior to March 31, 2008, the Company had used a limited amount of derivative contracts or forward sales contracts to reduce the exposure to commodity price fluctuations.
- In the first and second quarters of 2008, the Company had unrealized losses on financial instruments of $5.2 million and $5.2 million, respectively, primarily relating to contracts covering the period of April 1, 2008 to October 31, 2008.
- In the second quarter of 2008, the Company had a realized loss on financial instruments of $2.2 million.
- The Company's operating costs and capital expenditures have been subject to inflationary pressures brought on by increasing demand for services and supplies within the Canadian oil and gas industry.
- In the fourth quarter of 2007 and the first quarter of 2008, Crew had future tax recoveries which positively affected net income due to Canadian federal and provincial tax rate reductions.

Disclosure Controls and Procedures and 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 disclosure controls and procedures and 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 disclosure controls and procedures and internal controls over financial reporting were identified during the six months ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

New Accounting Pronouncements

Financial Instruments

On January 1, 2008, the Company adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation". Section 3862 and 3863 establish standards for the presentation and disclosure of information that enable users to evaluate the significance of financial instruments to the entity's financial position, and the nature and extent of risks arising from financial instruments and how the entity manages these risks. The implementation of these standards did not impact the Company's financial results, however it did result in additional disclosure presented in note 8 of the Company's notes to the consolidated financial statements.

Capital Disclosures

On January 1, 2008, the Company adopted CICA Handbook Section 1535 "Capital Disclosures". Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. This section specifies disclosure about objectives, policies and processes for managing capital, quantitative data about what an entity

regards as capital, whether an entity has complied with all capital requirements, and if it has not complied, the consequences of such non-compliances. The implementation of this standard did not impact the Company's financial results, however it did result in additional disclosure presented in note 9 of the Company's notes to the consolidated financial statements.

Goodwill

As of January 1, 2009, Crew will be required to adopt CICA Handbook Section 3064 "Goodwill and Intangible Assets", which defines the criteria for the recognition of intangible assets.

Convergence with International Reporting Standards

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for publicly accountable enterprises interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. The AcSB issued the "omnibus" exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The Canadian Securities Administrators ("CSA") has also issued Concept Paper 52-402, which requested feedback on the early adoption of IFRS as well as the continued use of US GAAP by domestic issuers. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The IASB has stated that it plans to issue an exposure draft relating to certain amendments and exemptions to IFRS 1. One such exemption relating to full cost oil and gas accounting is expected to reduce the administrative burden in the transition from the current Canadian Accounting Guideline 16 to IFRS. It is anticipated that this exposure draft will not result in an amended IFRS 1 standard until late 2009. The amendment will potentially permit the Company to apply IFRS prospectively to their full cost pool, rather than the retrospective assessment of capitalized exploration and development expenses, with the proviso that an impairment test, under IFRS standards, be conducted at the transition date.

Although, the Company has not completed development of its IFRS changeover plan, when finalized it will include project structure and governance, resourcing and training, an analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Company anticipates completing its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities, such as financing and compensation arrangements, by the fourth quarter of 2008.

Dated as of August 11, 2008

CONSOLIDATED BALANCE SHEETS

(unaudited)

(thousands)	**June 30, 2008**	December 31, 2007
Assets		
Current assets:		
Accounts receivable	**$ 34,768**	$ 28,588
Future income taxes	**2,763**	–
	37,531	28,588
Property, plant and equipment (note 3)	**656,737**	552,805
Goodwill	**20,800**	20,800
	$ 715,068	$ 602,193
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 40,420**	$ 43,231
Fair value of financial instruments (note 8)	**10,849**	423
Current portion of other long-term obligations (note 5)	**1,313**	1,313
	52,582	44,967
Bank loan (note 4)	**119,348**	95,028
Other long-term obligations (note 5)	**2,102**	2,759
Asset retirement obligations (note 6)	**19,428**	18,668
Future income taxes	**85,945**	77,045
Shareholders' Equity		
Share capital (note 7)	**361,344**	298,129
Contributed surplus (note 7)	**12,923**	10,557
Retained earnings	**61,396**	55,040
	435,663	363,726
Commitments (note 11)		
Subsequent event (note 12)		
	$ 715,068	$ 602,193

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND RETAINED EARNINGS

(unaudited)

(thousands, except per share amounts)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Revenue				
Petroleum and natural gas sales	**$ 60,316**	$ 38,703	**$ 111,705**	$ 68,134
Royalties	**(13,148)**	(8,040)	**(23,769)**	(14,811)
Gain (loss) on financial instruments (note 8)	**(7,502)**	891	**(12,756)**	891
Other income	**268**	–	**268**	–
	39,934	31,554	**75,448**	54,214
Expenses				
Operating	**6,532**	5,024	**13,205**	8,768
Transportation	**1,921**	1,878	**3,992**	2,411
Interest	**1,655**	1,917	**3,510**	2,655
General & administrative	**984**	891	**2,027**	1,549
Stock-based compensation	**932**	649	**1,786**	1,132
Depletion, depreciation & accretion	**20,650**	19,523	**43,290**	34,373
	32,674	29,882	**67,810**	50,888
Income before income taxes	**7,260**	1,672	**7,638**	3,326
Future income taxes	**1,845**	321	**1,282**	656
Net income and comprehensive income	**5,415**	1,351	**6,356**	2,670
Retained earnings, beginning of period	**55,981**	47,249	**55,040**	45,930
Retained earnings, end of period	**$ 61,396**	$ 48,600	**$ 61,396**	$ 48,600
Net income per share (note 7(d))				
Basic	**$ 0.09**	$ 0.03	**$ 0.11**	$ 0.06
Diluted	**$ 0.09**	$ 0.03	**$ 0.11**	$ 0.06

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(thousands)	**Three months ended June 30, 2008**	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Cash provided by (used in):				
Operating activities:				
Net income	**$ 5,415**	$ 1,351	**$ 6,356**	$ 2,670
Items not involving cash:				
Depletion, depreciation & accretion	**20,650**	19,523	**43,290**	34,373
Stock-based compensation	**932**	649	**1,786**	1,132
Future income taxes	**1,845**	321	**1,282**	656
Unrealized loss (gain) on financial instruments	**5,260**	(959)	**10,426**	(959)
Transportation liability charge (note 5)	**(328)**	(188)	**(657)**	(188)
Asset retirement expenditures	**(323)**	(4)	**(631)**	(14)
Change in non-cash working capital (note 10)	**(1,543)**	3,774	**(404)**	1,813
	31,908	24,467	**61,448**	39,483
Financing activities:				
Increase (decrease) in bank loan	**(4,795)**	71,074	**24,320**	99,654
Issue of common shares	**69,097**	59,226	**69,762**	59,274
Share issue costs	**(3,507)**	(3,274)	**(3,521)**	(3,274)
	60,795	127,026	**90,561**	155,654
Investing activities:				
Exploration and development	**(22,564)**	(11,355)	**(71,666)**	(45,674)
Property acquisitions, net of dispositions	**(63,110)**	59	**(71,756)**	(2)
Business acquisition	**–**	(137,325)	**–**	(137,325)
Change in non-cash working capital (note 10)	**(7,029)**	(2,872)	**(8,587)**	(12,136)
	(92,703)	(151,493)	**(152,009)**	(195,137)
Change in cash and cash equivalents	**–**	–	**–**	–
Cash and cash equivalents, beginning of period	**–**	–	**–**	–
Cash and cash equivalents, end of period	**$ –**	$ –	**$ –**	$ –

See accompanying notes to the consolidated financial statements.

For the three and six months ended June 30, 2008 and 2007

(Unaudited, Tabular amounts in thousands)

1. SIGNIFICANT ACCOUNTING POLICIES:

The interim consolidated financial statements of Crew Energy Inc. ("Crew" or the "Company") 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, 2007, except as disclosed below. The disclosure which follows is incremental to the disclosure included with the December 31, 2007 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, 2007.

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

2. CHANGE IN ACCOUNTING POLICY:

Financial Instruments

On January 1, 2008, the Company adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation". Section 3862 and 3863 establish standards for the presentation and disclosure of information that enable users to evaluate the significance of financial instruments to the entity's financial position, and the nature and extent of risks arising from financial instruments and how the entity manages these risks. The implementation of these standards did not impact the Company's financial results, however it did result in additional disclosure presented in note 8.

Capital Disclosures

On January 1, 2008, the Company adopted CICA Handbook Section 1535 "Capital Disclosures". Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. This section specifies disclosure about objectives, policies and processes for managing capital, quantitative data about what an entity regards as capital, whether an entity has complied with all capital requirements, and if it has not complied, the consequences of such non-compliances. The implementation of this standard did not impact the Company's financial results, however it did result in additional disclosure presented in note 9.

New Accounting Pronouncements

Goodwill

As of January 1, 2009, Crew will be required to adopt CICA Handbook Section 3064 "Goodwill and Intangible Assets", which defines the criteria for the recognition of intangible assets.

Convergence with International Reporting Standards

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for publicly accountable enterprises interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. The AcSB issued the "omnibus" exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The Canadian Securities Administrators ("CSA") has also issued Concept Paper 52-402, which requested feedback on the early adoption of IFRS as well as the continued use of US GAAP by domestic issuers. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The IASB has stated that it plans to issue an exposure draft relating to certain amendments and exemptions to IFRS 1. One such exemption relating to full cost oil and gas accounting is expected to reduce the administrative burden in the transition from the current Canadian Accounting Guideline 16 to IFRS. It is anticipated

that this exposure draft will not result in an amended IFRS 1 standard until late 2009. The amendment will potentially permit the Company to apply IFRS prospectively to their full cost pool, rather than the retrospective assessment of capitalized exploration and development expenses, with the proviso that an impairment test, under IFRS standards, be conducted at the transition date.

Although, the Company has not completed development of its IFRS changeover plan, when finalized it will include project structure and governance, resourcing and training, an analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Company anticipates completing its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities, such as financing and compensation arrangements, by the fourth quarter of 2008.

3. PROPERTY, PLANT AND EQUIPMENT:

June 30, 2008	**Cost**	**Accumulated depletion and depreciation**	**Net book value**
Petroleum and natural gas properties and equipment	**$ 844,726**	**$ 187,989**	**$ 656,737**

December 31, 2007	Cost	Accumulated depletion and depreciation	Net book value
Petroleum and natural gas properties and equipment	$ 698,251	$ 145,446	$ 552,805

The cost of unproved properties at June 30, 2008 of $118,740,000 (2007 - $34,065,000) was excluded from the depletion calculation. Estimated future development costs associated with the development of the Company's proved reserves of $28,594,000 (2007 - $31,295,000) have been included in the depletion calculation and estimated salvage values of $25,026,000 (2007 - $20,703,000) have been excluded from the depletion calculation.

On May 12, 2008, the Company acquired certain working interests in undeveloped land for cash proceeds of $63.1 million.

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

	Six months ended June 30, 2008	Year ended Dec. 31, 2007
General and administrative expense	**$ 2,027**	$ 3,331
Stock-based compensation expense, including future income taxes	**2,409**	3,624
	$ 4,436	$ 6,955

4. BANK LOAN:

The Company's bank facility consists of a revolving line of credit of $195 million and an operating line of credit of $15 million (the "Facility"). The Facility revolves for a 364 day period and will be subject to its next 364 day extension by June 15, 2009. If not extended, the Facility will cease to revolve, the margins there under will increase by 0.25 per cent and all outstanding advances there under will become repayable in one year.

Advances under the Facility are available by way of prime rate loans with interest rates of up to 0.75 per cent over the bank's prime lending rate and bankers' acceptances and LIBOR loans which are subject to stamping fees and margins ranging from 0.95 per cent to 1.75 per cent depending upon the debt to EBITDA ratio of the Company calculated at the Company's previous quarter end. As at June 30, 2008, the Company's applicable pricing included a 0.10 percent margin on prime lending and a 1.10 percent stamping fee and margin on

Bankers' Acceptances and LIBOR loans along with a 0.20 percent per annum standby fee on the portion of the facility that is not drawn. The facility is secured by a first floating charge debenture over the Company's consolidated assets. The effective interest rate on the Company's borrowings under its bank facility for the period ended June 30, 2008 was 5.9% (June 30, 2007 – 6.1%).

5. OTHER LONG-TERM OBLIGATIONS:

As part of the May 3, 2007 private company acquisition, the Company acquired several firm transportation agreements. These agreements had a fair value at the time of the acquisition of a $4.9 million liability. This amount was accounted for as part of the acquisition cost and will be charged as a reduction to transportation expenses over the life of the contracts as they are incurred. This charge for the three and six months ended June 30, 2008 was $0.3 million and $0.7 million, respectively (June 30, 2007 - $0.2 million).

6. ASSET RETIREMENT OBLIGATIONS:

Total future asset retirement obligations were determined by management and were based on Crew's net ownership interest, the estimated future costs to reclaim and abandon the wells and facilities and the estimated timing of when the costs will be incurred. Crew estimated the net present value of its total asset retirement obligation as at June 30, 2008 to be $19,428,000 (December 31, 2007 - $18,668,000) based on a total future liability of $37,057,000 (December 31, 2007 - $35,166,000). These payments are expected to be made over the next 49 years. An 8% (2007 – 8%) credit adjusted risk free discount rate and 2% (2007 – 2%) inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

	Six months ended June 30, 2008	Year ended December 31, 2007
Carrying amount, beginning of period	**$ 18,668**	$ 10,485
Liabilities incurred	**571**	845
Liabilities acquired	**73**	6,646
Accretion expense	**747**	929
Liabilities settled	**(631)**	(237)
Carrying amount, end of period	**$ 19,428**	$ 18,668

7. SHARE CAPITAL:

(a) Common Shares:

	Number of shares	Amount
Common shares, December 31, 2007	53,577	$ 298,129
Public offering issued for cash	5,000	66,750
Exercise of stock options	333	3,012
Stock-based compensation	–	1,206
Flow through share income tax adjustment on 2007 issuance	–	(5,200)
Share issue costs, net of future income taxes of $968	–	(2,553)
Common shares, June 30, 2008	**58,910**	**$ 361,344**

On May 1, 2008, Crew issued 5,000,000 Common Shares at $13.35 per share for aggregate proceeds of $66.8 million ($63.2 million net of issue costs). The proceeds were used to acquire certain working interests in undeveloped land as presented in note 3.

On October 25, 2007, the Company closed a public offering resulting in the issuance of 6,042,360 shares for aggregate proceeds of $54.5 million ($51.5 million net of issue costs). Of the shares issued, 1,860,500 shares

were issued on a flow through basis in which the Company committed to renounce to the purchasers certain Canadian income tax deductions totalling $20.0 million. At June 30, 2008, the Company had renounced all required income tax deductions and had incurred $16.1 million of qualifying expenditures under this flow through offering leaving $3.9 million remaining to be incurred on or before December 31, 2008.

(b) Contributed Surplus:

	Amount
Contributed surplus, December 31, 2007	$ 10,557
Stock-based compensation	3,572
Conversion of stock options	(1,206)
Contributed surplus, June 30, 2008	**$ 12,923**

(c) Stock-based compensation:

The Company measures compensation costs associated with stock-based compensation using the fair market value method under which the cost is recognized over the vesting period of the underlying security. The fair value of each stock option is determined at each grant date using the Black-Scholes model with the following weighted average assumptions used for options granted during the six month period ended June 30, 2008: risk free interest rate 4.15% (2007 – 3.95%), expected life 4 years (2007 – 4 years), volatility 45% (2007 – 45%), and an expected dividend of nil (2007 – nil). The Company has not incorporated an estimated forfeiture rate for stock options that will not vest rather the Company accounts for actual forfeitures as they occur.

During the first six months of 2008, the Company recorded $3,572,000, (2007 - $2,264,000) of stock-based compensation expense related to the stock options, of which $1,786,000 (2007 - $1,132,000) 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 income tax liability of $623,000 (2007 - $459,000) associated with the current year's capitalized stock-based compensation has been recorded.

i) Stock options

The average fair value of the stock options granted during the six months ended June 30, 2008, as calculated by the Black-Scholes method, was $3.34 per option (June 30, 2007 - $4.09).

	Number of Options	Price Range	Weighted average exercise price
Balance December 31, 2007	3,271	$4.70 to $17.80	$ 11.41
Granted	2,160	$7.23 to $18.70	$ 8.36
Exercised	(333)	$4.70 to $12.05	$ 9.06
Forfeited	(593)	$7.23 to $17.80	$ 10.79
Cancelled	(444)	$17.73 to $17.80	$ 17.75
Balance June 30, 2008	**4,061**	**$7.23 to $18.70**	**$ 9.38**

(d) Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average number of shares outstanding for the three month period ended June 30, 2008 were 57,162,000 (June 30, 2007 – 45,117,000) and for the six month period ended June 30, 2008, the weighted average number of shares outstanding were 55,394,000 (June 30, 2007 – 43,290,000).

In computing diluted earnings per share for the three month period ended June 30, 2008, 1,212,000 (June 30, 2007 – 392,000) shares were added to the weighted average number of common shares outstanding for the dilution added by the stock options and for the six months ended June 30, 2008, 850,000 (June 30, 2007 – 391,000) shares were added to the weighted average number of common shares for the dilution. There were 190,500 (June 30, 2007 – 1,489,000) stock options that were not included in the diluted earnings per share calculation because they were anti-dilutive.

8. FINANCIAL INSTRUMENTS:

Overview

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from petroleum and natural gas marketers and joint venture partners.

Substantially all of the Company's petroleum and natural gas production is marketed under standard industry terms. Receivables from petroleum and natural gas marketers are normally collected on the 25th day of the month following production. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with large credit worthy purchasers and to sell through multiple purchasers. The Company historically has not experienced any collection issues with its petroleum and natural gas marketers. Joint venture receivables are typically collected within one to three months of the joint venture bill being issued to the partner. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital expenditures prior to the expenditure. However, the receivables are from participants in the petroleum and natural gas sector, and collection of the outstanding balances can be impacted by industry factors such as commodity price fluctuations, limited capital availability and unsuccessful drilling programs. The Company does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however the Company does have the ability in most cases to withhold production from joint venture partners in the event of non-payment.

The carrying amount of accounts receivable represents the maximum credit exposure. As at June 30, 2008 the Company's receivables consisted of $16.5 million of receivables from petroleum and natural gas marketers which has subsequently been collected, $13.4 million from joint venture partners of which $4.4 million has been subsequently collected, and $4.8 million of Crown deposits and prepaids. The Company does not have an allowance for doubtful accounts as at June 30, 2008 and did not provide for any doubtful accounts nor was it required to write-off any receivables during the period ended June 30, 2008. The Company does not consider any receivables to be past due.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable, financial instruments and bank debt. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period. Accounts payable and financial instruments have contractual maturities of less than one year. The Company maintains a revolving credit facility, as outlined in note 4, that is reviewed semi-annually by the lenders and has a contractual maturity in 2010. The Company also maintains and monitors a certain level of cash flow which is used to partially finance all operating and capital expenditures as the Company does not pay dividends.

(c) Market risk:

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates, and foreign exchange rates, will affect the Company's net income or the value of financial instruments. The objective

of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing the Company's returns.

The Company utilizes both financial derivatives and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Company's risk management policy that has been approved by the Board of Directors.

(i) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined below, but also global economic events that dictate the levels of supply and demand. The Company has attempted to mitigate a portion of the commodity price risk through the use of various financial derivative and physical delivery sales contracts. The Company's policy is to enter into commodity price contracts when considered appropriate to a maximum of 50% of forecasted production volumes. The Company's contracts in place as of June 30, 2008 are as follows:

	Volume (gj/day)	Term	Price (Cdn $/gj)	Floor (Cdn $/gj)	Ceiling (Cdn $/gj)
AECO	10,000	April 1, 2008–October 31, 2008	AECO C Monthly Index	$ 7.00	$ 8.00
AECO	10,000	April 1, 2008–October 31, 2008	AECO Daily Average	$ 7.00	$ 8.30
AECO	10,000	April 1, 2008–October 31, 2008	AECO C Monthly Index	$ 7.50	$ 9.25
AECO/Station 2 Differential Swap	10,000	November 1, 2007–October 31, 2008	AECO C less $0.16	–	–

Derivatives are recorded on the balance sheet at fair value at each reporting period with the change in fair value being recognized as an unrealized gain or loss on the consolidated statement of operations, comprehensive income and retained earnings. These contracts had the following reflected in the consolidated statement of operations, comprehensive income and retained earnings:

	Three months ended June 30, 2008	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Realized (loss) on financial instruments	**$ (2,242)**	$ (68)	**$ (2,330)**	$ (68)
Unrealized (loss) gain on financial instruments	**(5,260)**	959	**(10,426)**	959
	$ (7,502)	$ 891	**$ (12,756)**	$ 891

As at June 30, 2008, a $0.10 change to the price per thousand cubic feet of natural gas on the costless collars would have a $0.3 million impact on net income.

(ii) Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum and natural gas sales are conducted in Canada and are denominated in Canadian dollars. Canadian commodity prices are influenced by fluctuations in the Canadian to U.S. dollar exchange rate. The Company had no forward exchange rate contracts in place as at or during the period ended June 30, 2008.

(iii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its bank debt which bears a floating rate of interest. For the three and six months ended June 30, 2008, a 100 basis points change to the effective interest rate would have a $0.2 million and $0.4 million impact on net income, respectively (2007 – $0.2 and $0.3 million). The sensitivity for the six months ended June 30, 2008 is higher as compared to 2007 because of an increase in outstanding bank debt in the first half of 2008 compared to 2007. The

Company had no interest rate swap or financial contracts in place as at or during the period ended June 30, 2008.

Fair value of financial instruments

The Company's financial instruments as at June 30, 2008 and December 31, 2007 include accounts receivable, derivative contracts, accounts payable and accrued liabilities, and bank debt. The fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to their short-terms to maturity.

The fair value of derivative contracts is determined by discounting the difference between the contracted price and published forward price curves as at the balance sheet date, using the remaining contracted petroleum and natural gas volumes.

Bank debt bears interest at a floating market rate and accordingly the fair market value approximates the carrying value.

9. CAPITAL MANAGEMENT:

The Company's objective when managing capital is to maintain a flexible capital structure which will allow it to execute on its capital expenditure program, which includes expenditures on oil and gas activities which may or may not be successful. Therefore, the Company monitors the level of risk incurred in its capital expenditures to balance the proportion of debt and equity in its capital structure.

The Company considers its capital structure to include working capital, bank debt, and shareholders' equity. The Company monitors capital based on the ratio of net debt to annualized funds from operations. The ratio represents the time period it would take to pay off the debt if no further capital expenditures were incurred and if funds from operations remained constant. This ratio is calculated as net debt, defined as outstanding bank debt plus or minus net working capital, divided by funds from operations for the most recent calendar quarter, annualized (multiplied by four). The Company's strategy is to maintain a ratio of no more than 2 to 1. This ratio may increase at certain times as a result of acquisitions or very low commodity prices. As at June 30, 2008, the Company's ratio of net debt to annualized funds from operations was 0.92 to 1 (December 31, 2007 – 1.22 to 1), which is within the range established by the Company.

	June 30, 2008	December31, 2007
Net debt:		
Accounts receivable	**$ 34,768**	$ 28,588
Accounts payable and accrued liabilities	**(40,420)**	(43,231)
Working capital deficiency	**$ (5,652)**	$ (14,643)
Bank loan	**(119,348)**	(95,028)
Net debt	**$ (125,000)**	$ (109,671)
Annualized funds from operations:		
Cash provided by operating activities	**$ 31,908**	$ 11,882
Asset retirement expenditures	**323**	205
Transportation liability charge	**328**	313
Change in non-cash working capital	**1,543**	9,990
Funds from operations	**34,102**	22,390
Annualized	**$ 136,408**	$ 89,560
Net debt to annualized funds from operations	**0.92**	1.22

In order to facilitate the management of this ratio, the Company prepares annual funds from operations and capital expenditure budgets, which are updated as necessary, and are reviewed and periodically approved by the Company's Board of Directors.

The Company manages its capital structure and makes adjustments by continually monitoring its business conditions, including; the current economic conditions; the risk characteristics of the Company's petroleum and natural gas assets; the depth of its investment opportunities; current and forecasted net debt levels; current and forecasted commodity prices; and other facts that influence commodity prices and funds from operations, such as quality and basis differential, royalties, operating costs and transportation costs.

In order to maintain or adjust the capital structure, the Company will consider; its forecasted ratio of net debt to forecasted funds from operations while attempting to finance an acceptable capital expenditure program including acquisition opportunities; the current level of bank credit available from the Company's lenders; the level of bank credit that may be attainable from its lenders as a result of oil and gas reserve growth; the availability of other sources of debt with different characteristics than the existing bank debt; the sale of assets; limiting the size of the capital expenditure program and new equity if available on favourable terms. The Company's share capital is not subject to external restrictions, however the Company's bank facility is determined by the lenders and based on the lenders' borrowing base models which are based on the Company's petroleum and natural gas reserves.

There has been no change in the Company's approach to capital management during the period ended June 30, 2008.

10. SUPPLEMENTAL CASH FLOW INFORMATION:

	Three months ended June 30, 2008	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Changes in non-cash working capital:				
Accounts receivable	**$ 154**	$ 2,945	**$ (6,180)**	$ 3,727
Accounts payable and accrued liabilities	**(8,726)**	(2,043)	**(2,811)**	(14,050)
	$ (8,572)	$ 902	**$ (8,991)**	$ (10,323)
Operating activities	**$ (1,543)**	$ 3,774	**$ (404)**	$ 1,813
Investing activities	**(7,029)**	(2,872)	**(8,587)**	(12,136)
	$ (8,572)	$ 902	**$ (8,991)**	$ (10,323)

The Company made the following cash outlays in respect of interest expense:

	Three months ended June 30, 2008	Three months ended June 30, 2007	**Six months ended June 30, 2008**	Six months ended June 30, 2007
Interest	**$ 1,099**	$ 3,125	**$ 2,851**	$ 4,002

11. COMMITMENTS:

The Company has the following fixed term commitments related to its on-going business:

	Total	2008	2009	2010	2011
Operating Leases	$ 3,217	$ 495	$ 990	$ 990	$ 742
Capital commitments	14,150	9,400	4,750	–	–
Exploration and development	3,900	3,900	–	–	–
Firm transportation agreements	24,251	3,404	7,026	7,243	6,578
Total	$ 45,518	$ 17,199	$ 12,766	$ 8,233	$ 7,320

The exploration and development commitment relates to the Company's obligation under its October 25, 2007 flow through share issue as described in note 7(a).

The firm transportation commitments were acquired as part of the Company's May 2007 private company acquisition and represent firm service commitments for transportation and processing of natural gas in British Columbia.

12. SUBSEQUENT EVENT:

On June 23, 2008, Crew and Gentry Resources Ltd. ("Gentry") jointly announced that they have entered into an Arrangement Agreement whereby, subject to certain conditions, Crew will acquire all of the issued and outstanding shares of Gentry (the "Transaction"). Under the terms of the agreement, Gentry shareholders will receive 0.22 of a Crew common share for each Gentry common share held or an aggregate of approximately 12.4 million shares. Upon completion of the Transaction, Gentry will become a wholly owned subsidiary of Crew and current Gentry shareholders and option holders will own approximately 17% of the combined entity. A special meeting of the Gentry shareholders is scheduled for August 21, 2008 at which time the Gentry shareholders will be asked to approve the Transaction. If approved, and regulatory approval is received, closing of the Transaction is expected on or about August 22, 2008.

CORPORATE INFORMATION

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Canadian Imperial Bank of Commerce
The Union Bank of California

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 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 in Canada, royalties, operating costs, transportation costs, general and administrative 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 that forecast.

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