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

Crew Energy Inc. (TSX-CR) of Calgary, Alberta is pleased to announce its operating and financial results for the three and six month periods ended June 30, 2004.

Highlights

- Cash flow for the quarter was $5.2 million an 11% increase over the first quarter of 2004;
- Second quarter production increased 4% over the first quarter to average 2,160 boe per day despite limited access due to spring break-up;
- In a period of generally higher costs associated with wet weather and road bans, the Company was able to further reduce operating costs to $3.84 per boe for the second quarter from $4.03 in the first quarter;
- Successfully completed a $16.1 million bought deal equity financing;
- Ended the period in excellent financial condition with $10.25 million in working capital and no bank debt;
- Drilled and completed the Company's most prolific gas wells to date increasing current production in the Edson area to in excess of 1,000 boe per day;
- Undeveloped land position increased from the first quarter to 242,000 net acres.

($ thousands, except per share amounts)	**3 months ended June 30, 2004**	3 months ended March 31, 2004	**6 months ended June 30, 2004**
Petroleum and natural gas sales (note 2)	**8,328**	7,459	**15,787**
Cash flow from operations (note 3)	**5,171**	4,669	**9,840**
Per share - basic	**0.21**	0.20	**0.41**
- diluted	**0.18**	0.18	**0.36**
Net income	**1,840**	1,686	**3,526**
Per share - basic	**0.07**	0.07	**0.15**
- diluted	**0.07**	0.06	**0.13**
Exploration and development expenditures	**6,926**	11,769	**18,695**
Working capital (deficiency)		(3,159)	**10,250**
Weighted average shares (thousands)			
Basic	**24,563**	22,981	**23,772**
Diluted	**28,140**	26,236	**27,196**

Note 1 - Crew was formed on September 2, 2003 as part of the Plan of Arrangement (the "Plan") entered into by Baytex Energy Ltd. ("Baytex") and its associated companies under which certain producing properties and exploratory assets of Baytex were transferred to Crew, with the remaining assets being reorganized into an income trust, Baytex Energy Trust. Under the Plan, Baytex Energy Trust became the continuing issuer of Baytex and Crew was registered as a new issuer. As a result, the financial information required to be included in this report comprises only the operating results of Crew for the three and six month period ended June 30, 2004. Comparative information for the three months ended March 31, 2004 is provided for information purposes only.

Note 2 - In prior periods the Company presented petroleum and natural gas sales net of transportation costs. Crew has begun to record petroleum and natural gas sales gross of transportation costs on the statement of operations. Prior periods have been reclassified for comparative purposes.

Note 3 - Cash flow from operations is used before changes in non-cash working capital to analyze operating performance and leverage. Cash flow does not have a standardized measure prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.

	3 months ended June 30, 2004	3 months ended March 31, 2004	**6 months ended June 30, 2004**
Daily production			
Light oil and ngls (bbl/d)	**482**	473	**478**
Natural gas (mcf/d)	**10,068**	9,570	**9,819**
Oil equivalent (boe/d @ 6:1)	**2,160**	2,068	**2,115**
Average prices (note 2)			
Light oil and ngls ($/bbl)	**42.81**	41.33	**42.07**
Natural gas ($/mcf)	**7.04**	6.52	**6.79**
Oil equivalent ($/boe)	**42.37**	39.62	**41.03**
Operating expenses			
Light oil and ngls ($/bbl)	**3.53**	3.91	**3.72**
Natural gas ($/mcf)	**0.65**	0.68	**0.67**
Oil equivalent ($/boe @ 6:1)	**3.84**	4.03	**3.93**
Operating netback ($/boe)	**27.26**	25.63	**26.44**
G&A and other revenue ($/boe)	**1.13**	0.81	**0.97**
Cash flow netback ($/boe)	**26.13**	24.82	**25.47**

Operational Review

Crew's activity during the second quarter focused on the continued exploitation and development of its main operating area at Edson, Alberta. Despite delays caused by wet weather, the Company was able to complete the tie-in of its late first quarter gas discovery in the area. The Company also substantially completed the planned installation of an 810-bhp compressor during the quarter. Most importantly, Crew drilled and completed its most prolific natural gas well to date at Edson. This well has recently been brought on production at initial rates of 600 boe per day. Plans at Edson for the remainder of the year include the drilling of 2 to 3 additional wells out of sixteen identified locations.

Construction has now begun on the Company's 12 km pipeline in the Viking-Kinsella area. Completion of the pipeline is not expected until late in the third quarter. The completion of this pipeline will accommodate the tie-in of four (4.0 net) of the Company's cased gas wells in the area. Tie-ins for the remaining four cased gas wells in the area are planned for later in the year. Crew has plans to drill six wells in the Viking-Kinsella area prior to year-end.

Wet weather also delayed the second quarter drilling of an exploration well planned at Ferrier. This well did not finish drilling until July and has resulted in a cased gas well that is expected to be completed by the end of the third quarter.

Also during the second quarter, Crew and its partner commissioned a reservoir and water-flood study on two of their jointly owned Coplin oil pools in the Laprise area of British Columbia. The study indicated that the primary recovery factor for these pools should be over 30% and that a water-flood would not be beneficial in increasing recoverable reserves. As a result, an application has been made for Good Engineering Practice to be granted on the pools. If this application is approved, current production restrictions on the wells in the two oil pools will be increased from 63 boe per day to approximately 120 boe per day, resulting in a net 200 boe per day increase in Crew's oil production.

Additional drilling during the second quarter included one (0.35 net) well in the Brazeau area of central Alberta. This well resulted in a cased natural gas well that is planned to be tied-in before year-end. One (0.17 net) natural gas well was also drilled at Swalwell in central Alberta in the second quarter and is awaiting completion.

At Drumheller/Wimborne the Company undertook one of three planned re-completions to evaluate the Company's Coal Bed Methane (CBM) prospects in this area. This re-completed well is now on production at 70 mcf per day. Two additional CBM re-completions are planned before year-end. Crew has 42 net sections of land in this area that are prospective for CBM production. The Company also has two operated natural gas processing facilities and an extensive pipeline infrastructure to accommodate additional gas volumes in the area.

Outlook

On May 13th Crew successfully closed its previously announced $16.1 million equity financing. The proceeds of this issue enabled the Company to expand its 2004 capital expenditure program to $42.5 million. This expanded program will be directed towards the accelerated development of our Edson and Viking-Kinsella natural gas development projects and further expansion of the Laprise light oil play. In addition, the Company will evaluate four new exploration plays before the end of 2004.

Crew's second quarter production exceeded budget projections and the first quarter's average despite the shut-in of production at Laprise due to spring break-up for a large portion of the second quarter. Production for the third quarter is currently forecasted to average 2,600 boe per day with current production at approximately 2,800 boe per day and an additional 600 boe per day awaiting tie-ins. The Company remains on target to achieve its goal of doubling initial production in one year from 1,500 to 3,000 boe per day by September. Crew continues to target 2004 average production of 2,400 to 2,600 boe per day with a 2004 exit rate of 3,400 to 3,600 boe per day.

The third quarter will be the most active quarter for Crew to date with a total of 15 (13.35 net) wells currently planned to be drilled during the quarter. In addition to core area development, Crew has exploration wells that are planned at Simonette, Brazeau River, and Normandville in west central Alberta and Zaremba in northeast British Columbia. With an undeveloped land position of 242,000 net acres Crew is well positioned to continue growth through its exploitation and exploration drilling program. We look forward to updating our shareholders on the results of this program in the fourth quarter.

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 and six month periods ended June 30, 2004 and the audited consolidated financial statements and management's discussion and analysis for the period ended December 31, 2003, which are included in the Company's 2003 Annual Report.

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

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Barrel of oil equivalent ("boe") amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.

Crew evaluates performance based on net income and cash flow from operations. Cash flow from operations is a measure not based on GAAP that is commonly used in the oil and gas industry. It represents cash generated from operating activities before changes in non-cash working capital. The Company considers it a key measure as it demonstrates the ability of the business to generate the cash flow necessary to fund future growth through capital investment and to repay debt.

Commencement of Operations Crew commenced operations on September 2, 2003 and as a result the financial information required to be included in this report comprises only the operating results for the three and six month periods ended June 30, 2004. Comparative information for the three months ended March 31, 2004 is provided for information purposes only.

Operational Activity During the second quarter the Company drilled a total of 3 (1.5 net) wells resulting in 3 (1.5 net) natural gas wells, which brings the total number of wells drilled in 2004 to 12 (9.3 net) with a 100% success rate. The Company also substantially completed the installation of an 810 bhp compressor and the tie-in of one natural gas well at Edson and commenced the drilling of an exploration well at Ferrier that will be completed in the third quarter.

Sales Volumes Sales volumes for the three months averaged 2,160 boe per day, an increase of 4% over the previous quarter's average of 2,068 boe per day. Natural gas volumes increased 5% over the first quarter to average 10.1 mmcf per day with increased production coming from Ferrier and Edson. Light oil and ngl sales increased to 482 bbl per day in the second quarter compared to 473 boe per day in the first quarter. Sales volumes for the six months ended June 30, 2004 averaged 2,115 boe per day consisting of natural gas sales of 9.8 mmcf per day and liquids sales of 478 bbl per day.

Revenue Revenue for the second quarter was $8.3 million including natural gas revenue of $6.4 million and light oil and ngl revenue of $1.9 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. Increased revenue was the result of stronger commodity prices and increased production. Revenue for the first six months totalled $15.8 million consisting of natural gas revenue of $12.1 million and light oil and ngl revenue of $3.7 million.

In prior periods the Company presented petroleum and natural gas sales net of transportation costs. Crew has begun to record petroleum and natural gas sales gross of transportation costs on the statement of operations. Prior periods have been reclassified for comparative purposes.

Royalties Royalties for the second quarter totalled $2.0 million or 24% of revenue compared to $1.7 million or 23% of revenue for the first quarter of 2004. The increase in royalties as a percentage of revenue is due to the increase in commodity prices during the second quarter. Royalties for the first six months of 2004 totalled $3.6 million or 22.8% of revenue. The Company's total combined royalty rate as a percentage of revenue is expected to average in the 24% to 26% range for the remainder of the year.

Operating Costs Operating costs for the three months ended June 30 totalled $0.8 million or $3.84 per boe, a decrease of 5% over the first quarter. Operating costs for the six months totalled $1.5 million or $3.93 per boe. Operating costs have continued to decline throughout the first six months of 2004 as a result of increased production volumes resulting in more efficient operations and increased recoveries from third party natural gas processed through the Company's facilities at Drumheller and Wimborne. The Company has revised its forecast for operating costs for the remainder of 2004 to average $4.25 per boe from $5.00 per boe.

Transportation Total transportation costs for the second quarter of 2004 were $222,000 or $1.12 per boe compared to $222,000 or $1.17 per boe in the first quarter of 2004. Transportation costs per unit decreased in the second quarter due to the shut-in of the Company's Laprise oil volumes for break-up, which have higher per unit transportation costs. Total transportation costs for the six months ended June 30, 2004 were $444,000 or $1.17 per boe.

Operating Net Backs

	Three Months ended June 30, 2004		
	Light oil and ngls	Natural gas	Total
	($/bbl)	($/mcf)	($/boe)
Revenue	42.81	7.04	42.37
Royalties	(9.10)	(1.70)	(10.15)
	33.71	5.34	32.22
Operating costs	(3.53)	(0.65)	(3.84)
Transportation	(2.03)	(0.14)	(1.12)
Operating netbacks	28.15	4.55	27.26

	Six months ended June 30, 2004		
	Light oil and ngls	Natural gas	Total
	($/bbl)	($/mcf)	($/boe)
Revenue	42.07	6.79	41.03
Royalties	(7.05)	(1.68)	(9.49)
	35.02	5.11	31.54
Operating costs	(3.72)	(0.67)	(3.93)
Transportation	(2.30)	(0.14)	(1.17)
Operating netbacks	29.00	4.30	26.44

General and Administrative General and administrative expenses for the second quarter of 2004 totalled $293,000 or $1.49 per boe compared to $176,000 or $0.94 per boe for the first quarter of 2004. The expected second quarter increase was the result of decreased capital recoveries due to reduced second quarter capital spending and the incurrence of costs associated with annual reporting requirements. Total general and administrative costs for the six months were $469,000 or $1.22 per boe. With increased activity and production for the remainder of the year, general and administrative costs are expected to decline in the second half.

Stock-Based Compensation The Company accounts for its stock-based compensation programs, including the performance shares and stock options, using the fair value method. Under this method, compensation expense related to these programs is recorded in the consolidated statement of operations over the vesting period. For the three months ended June 30, 2004 the Company has recorded a stock-based compensation expense totalling $63,000 or $0.32 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 $2.1 million or $10.45 per boe for the three months, which included $98,000 or $0.50 per boe of accretion associated with the Company's asset retirement obligation. For the six months ended June 30 depletion, depreciation and accretion was $4.0 million or $10.31 per boe including $193,000 or $0.50 per boe of accretion associated with the Company's asset retirement obligation.

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

Cash flow and Net income Cash flow from operations in the second quarter grew to $5.2 million, an 11% increase over the first quarter of 2004. On a per share basis, cash flow was $0.21 per basic share and $0.18 per diluted share compared to $0.20 per basic share and $0.18 per diluted share in the first quarter. Net income increased to $1.8 million for the quarter representing a 9% increase over the first quarter of 2004 and on a per share basis was $0.07 per basic share and diluted share. The quarter over quarter increase in cash flow from operations and net income was the result of increased sales, stronger commodity prices and a reduction in operating costs.

Liquidity and Capital Resources At June 30, 2004 the Company had net working capital of $10.3 million including cash on-hand of $15.3 million compared to the first quarter of 2004 where the company had a net working capital deficiency of $3.2 million including cash on-hand of $6.9 million. On May 13, 2004, Crew completed a "bought deal" private placement of 3,000,000 Common Shares at a price of $5.35 per Common Share for gross proceeds of $16.1 million.

As at August 12, 2004, 25,980,684 Common Shares and 1,881,000 Class C Performance Shares of the Company were outstanding, along with 133,500 options and 3,635,000 warrants to acquire Commons Shares of the Company.

In June the Company amended its letter agreement with a Canadian chartered bank to increase the Company's demand credit facility to $22,000,000 from $12,000,000. Advances under the facility bear interest at the bank's prime lending rate or bankers' acceptance rates plus scheduled margins.

The Company's planned expenditures for the remainder of the year will be financed through working capital, cash flow from operations and the Company's credit facility.

Capital Expenditures Capital expenditures were $6.9 million during the second quarter and have totalled $18.7 million for the first six months of 2004. These expenditures are detailed below:

(000's)	Three months ended June 30, 2004	Six months ended June 30, 2004
Land	$ 1,588	$ 2,474
Seismic	552	819
Drilling and completions	2,734	10,123
Facilities, equipment and pipelines	1,704	4,687
Other	348	592
Total	$ 6,926	$ 18,695

The Company's total 2004 capital budget is currently set at $42.5 million. Second half spending will be concentrated on the continued development of the Company's core areas with an emphasis on natural gas drilling at Edson, Ferrier and Viking-Kinsella in Alberta and continued development of the Company's light-oil assets at Laprise in B.C.

Quarterly Financial Summary Crew commenced operations on September 2, 2003 upon completion of the Baytex Energy Ltd. Plan of Arrangement. Below is a summary of the Company's quarterly financial highlights since commencement of operations:

($ thousands, except per share amounts)	June 30, 2004	March 31, 2004	Dec. 31, 2003	Sept 2 to Sept. 30, 2003
Petroleum and natural gas sales	8,328	7,459	6,086	1,500
Net income	1,840	1,686	1,258	307
Per share - basic	0.07	0.07	0.05	0.01
- diluted	0.07	0.06	0.05	0.01

Dated as of August 12, 2004

Cautionary Statement

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

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

Financial statements for the three and six month periods ended June 31, 2004 are attached.

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CREW ENERGY INC.

Consolidated Balance Sheet
June 30, 2004
(thousands)

		June 30, 2004		December 31, 2003
		(unaudited)		
Assets				
Current Assets:				
Cash and short-term investments	$	**15,336**	$	7,721
Accounts receivable		**6,243**		5,848
		21,579		13,569
Future income taxes		**130**		2,041
Property, plant and equipment (note 2)		**45,449**		30,150
	$	**67,158**	$	45,760
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities	$	**11,329**		9,629
Asset retirement obligation (note 5)		**4,344**		3,896
Shareholders' Equity				
Share capital (note 4)		**45,999**		30,524
Contributed surplus		**395**		146
Retained Earnings		**5,091**		1,565
		51,485		32,235
	$	**67,158**	$	45,760

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

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

		Three months ended June 30, 2004		Six months ended June 30, 2004
Revenue				
Petroleum and natural gas sales	$	**8,328**	$	15,787
Royalties (net of ARTC)		**(1,961)**		(3,617)
Other revenue		**74**		112
		6,441		12,282
Expenses				
Operating		**755**		1,514
Transportation		**222**		444
General and administrative		**293**		469
Stock-based compensation		**63**		125
Depletion, depreciation and accretion		**2,055**		3,969
		3,388		6,521
Income before taxes		**3,053**		5,761
Taxes				
Capital		**-**		15
Future		**1,213**		2,220
		1,213		2,235
Net income		**1,840**		3,526
Retained earnings, beginning of period		**3,251**		1,565
Retained earnings, end of period	$	**5,091**	$	5,091
Per share amounts (note 4(d))				
Basic		**0.07**		0.15
Diluted		**0.07**		0.13

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Consolidated Statement of Cash Flows
(unaudited, thousands)

	Three months ended June 30, 2004	Six months ended June 30, 2004
Cash provided by (used in):		
Operating activities:		
Net income	$ **1,840**	$ 3,526
Items not involving cash:		
Depletion, depreciation & accretion	**2,055**	3,969
Stock-based compensation	**63**	125
Future income taxes	**1,213**	2,220
Funds flow from operations	**5,171**	9,840
Change in non-cash working capital	**729**	1,827
	5,900	11,667
Financing activities:		
Issue of common shares	**16,050**	16,050
Share issue costs	**(884)**	(884)
	15,166	15,166
Investing activities:		
Exploration and development	**(6,926)**	(18,695)
Change in non-cash working capital	**(5,696)**	(523)
	(12,622)	(19,218)
Change in cash and short-term investments	**8,444**	7,615
Cash and short-term investments, beginning of period	**6,892**	7,721
Cash and short term investments, end of period	$ **15,336**	$ 15,336

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Notes to Consolidated Financial Statements
For the three months ended June 30, 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 period from September 2, 2003 to December 31, 2003, except as disclosed below. The disclosure which follows is incremental to the disclosure included with the September 2, 2003 to December 31, 2003 consolidated financial statements. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's annual report for the period ended December 31, 2003.

a) Petroleum and natural gas properties:

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

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

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

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

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

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

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

b) Comparative information:

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

2. Property, plant and equipment:

At June 30, 2004	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	$ 50,497	$ 5,394	$ 45,103
Office furniture and equipment	407	61	346
	$ 50,904	$ 5,455	$ 45,449

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

The cost of unproven lands at June 30, 2004 of $7,078,000 has been excluded from the depletion calculation.

During the three months ended June 30, 2004, $354,000 and for the six months ended June 30, 2004, $593,000 of corporate expenses related to exploration and development activities was capitalized.

3. Bank facility:

Crew has a $22 million demand operating facility with a Canadian chartered bank, which is available by way of prime rate based loans or bankers acceptances. Advances under the facility bear interest at the bank's prime lending rate, bankers' acceptance rates plus scheduled margins. The facility revolves at the Company's discretion, is repayable on demand of the bank and is secured by a first floating charge debenture over all of Crew's real property and a first priority security interest in all of Crew's personal property.

Cash interest income received during the three months ended June 30, 2004 totalled $54,000 and for the six months ended June 30,2004, totalled $92,000.

4. Share capital:

(a) Authorized:

Unlimited number of Common Shares

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

(b) Share capital issued:

	Number of shares	Amount
Common shares,		
Balance, December 31, 2003	22,981	30,505
Shares issued	3,000	16,050
Share issue costs, net of tax		(575)
Balance, June 30, 2004	25,981	45,980
Class C performance shares,		
Balance, December 31, 2003 and June 30, 2004	1,881	19
Share capital, June 30, 2004		**$ 45,999**

(c) Stock-based compensation:

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

During the three months ended June 30, 2004 the Company recorded $125,000 and for the six months ended June 30, 2004 recorded $250,000 of compensation expense related to the performance shares and stock options, of which $62,000 for the three months and $125,000 for the six months was capitalized in accordance with the Company's full cost accounting policy.

(i) Performance shares

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

(ii) Stock options

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

During the six month period ended June 30, 2004, 7,500 stock options were granted to Crew employees with an average exercise price of $5.10. At June 30, 2004, 163,500 stock options were outstanding with a weighted average remaining term of 3.5 years, a weighted average price of $3.76 and none of the options had vested. The fair value of the stock options granted during the period as calculated by the Black-Scholes method is $2.08 per share.

(d) Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the three months ended June 30, 2004 was 24,563,000 and for the six months ended June 30, 2004 was 23,772,000.

In computing diluted earnings per share for the three months ended June 30, 2004, 3,577,000 and for the six months ended June 30, 2004, 3,424,000 shares were added to the weighted average number of common shares outstanding for the dilution added by the warrants, performance shares and stock options.

5. Asset retirement obligations

The total future asset retirement obligation was determined by management and was based on Crew's net ownership interest, the estimated future cost to reclaim and abandon the Company's wells and facilities and the estimated timing of when the costs will be incurred. Crew has estimated the net present value of its total asset retirement obligation to be $4,344,000 as at June 30, 2004 based on a total future liability of $8,440,000. These payments are expected to be made over the next 33 years. A ten percent interest rate and two percent inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

Carrying amount, beginning of period	$	3,896
Increase in liabilities during the period		255
Accretion expense		193
Carrying amount, end of period	$	4,344