FOR IMMEDIATE RELEASE - CALGARY, ALBERTA - MARCH 15, 2004

Crew Energy Inc. (TSX-CR) of Calgary, Alberta is pleased to announce its operating and financial results for the three months ended December 31, 2003 and for the period from commencement of operations on September 2, 2003 to December 31, 2003.

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 contained in this report comprises only the operating results of Crew for the three months ended December 31, 2003 and for the period from commencement of operations on September 2, 2003 to December 31, 2003 and no comparative financial or operating information is presented.

Highlights include:

- Production for the quarter averaged 1,911 boe/d representing an increase of 25% over the September 2003 average production rates of 1,529 boe/d;
- Achieved fourth quarter 2003 on-stream costs of $12,700 per boe based on average production of 1,911 boe/d;
- Completed year-end reserve evaluation under National Instrument 51-101 with an increase in proved reserves of 31% and proved plus probable reserves of 50%;
- Finding and development costs for 2003 were $8.79 per boe for proved reserves and $5.78 per boe for proved plus probable reserves including future development capital;
- Recycle ratio for 2003 of 2.5x for proved reserves and 3.8x for proved plus probable reserves;
- Achieved reserve replacement of 416% for proved reserves and 661% for proved plus probable reserves during 2003;
- Maintained a strong balance sheet with no bank debt and positive working capital of $3.9 million at December 31, 2003;
- Maintained capital discipline, spending 22% less than the fourth quarter capital budget;
- Increased undeveloped land position to 232,000 net acres with an average working interest of 81%.

	3 months ended Dec. 31, 2003	Period Ended Dec. 31, 2003
FINANCIAL		
($ thousands, except per share amounts)		
Petroleum and natural gas sales	**5,899**	**7,354**
Cash flow from operations (note 1)	**3,814**	**4,612**
Per share - basic	**0.17**	**0.20**
- diluted	**0.15**	**0.18**
Net income	**1,258**	**1,565**
Per share - basic	**0.05**	**0.07**
- diluted	**0.05**	**0.06**
Exploration and development expenditures	**4,860**	**6,689**
Working capital		**3,940**
Weighted average shares (thousands)		
Basic	**22,981**	**22,981**
Diluted	**25,620**	**25,734**
OPERATING		
Daily production		
Light oil and ngls (bbl/d)	**486**	**454**
Natural gas (mcf/d)	**8,550**	**8,197**
Oil equivalent (boe/d @ 6:1)	**1,911**	**1,820**
Average prices		
WTI oil (US$/bbl)	**31.19**	**30.47**
Edmonton par oil ($/bbl)	**39.88**	**39.33**
Crew light oil and ngls ($/bbl)	**32.78**	**32.41**
Crew natural gas ($/mcf)	**5.63**	**5.62**
Crew oil equivalent ($/boe)	**33.55**	**33.39**
Operating expenses		
Light oil and ngls ($/bbl)	**3.04**	**3.39**
Natural gas ($/mcf)	**0.84**	**0.85**
Oil equivalent ($/boe @ 6:1)	**4.54**	**4.68**
G&A expenses ($/boe)	**1.06**	**1.14**
Total cash costs ($/boe)	**5.68**	**5.90**
Cash flow netback ($/boe)	**21.69**	**20.93**

Note 1 - 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 with similar measures for other companies.

	Effective Date Dec. 31, 2003
COMPANY INTEREST RESERVES (note 2)	
Proved plus probable	
Light/medium Oil (Mstb)	**367**
Natural gas liquids (Mbbl)	**463**
Natural gas (MMcf)	**17,319**
Total oil equivalent (Mboe)	**3,716**
% reserves - proved producing	**64**
% reserves - total proved	**79**
% reserves - probable	**21**
Net present value of future cash flows before tax (note 3)	
discounted at 10% ($ thousands)	**43,221**
discounted at 15% ($ thousands)	**38,224**
Net present value of future cash flows after tax (note 3)	
discounted at 10% ($ thousands)	**33,215**
discounted at 15% ($ thousands)	**29,037**
Finding and development costs ($/boe)	
Proved	**$ 8.79**
Proved plus probable	**$ 5.78**
Recycle ratio (operating net back per boe/ finding and development cost per boe)	
Proved	**2.5**
Proved plus probable	**3.8**
Reserve replacement ratio (reserve additions/total production for period)	
Proved	**4.2**
Proved plus probable	**6.6**

Note 2 – Company interest reserves include working interest reserves plus royalty interest reserves and were evaluated by Gilbert Laustsen Jung Associates Ltd. following the rules outlined in National Instrument 51-101 (NI51-101). Crew's reserve evaluation dated September 1, 2003 was completed following the rules outlined by National Policy 2B (NP-2B). Under NP-2B, Crew's probable reserves were adjusted by a factor of 50% to account for the risk associated with their recovery and reported combined with proved reserves as "established reserves". Under NI51-101, full proved plus probable reserves are defined to have an aggregate 50% certainty of recoverability. Although not precisely comparable, proved plus probable reserves under NI51-101 have been compared to established reserves as previously determined under NP-2B. The reserves and values are based on the GLJ (2004-01) price forecast.

Note 3 – The net present value of future cash flows includes Alberta Royalty Tax Credits and well abandonment costs.

Operations Review

During the quarter Crew drilled nine (5.6 net) wells resulting in three (1.2 net) oil wells, four (3.5 net) natural gas wells and two (0.9 net) dry and abandoned wells. Capital spending for the quarter totalled $4.9 million while capital expenditures since the start of operations were $6.7 million.

At Laprise, in northeast British Columbia, delineation of the Company's Coplin sandstone light oil discovery continued with the drilling of five (2.1 net) wells during the quarter resulting in three (1.2 net) oil wells and two (0.9 net) dry and abandoned wells. This drilling has brought development in the area to a point where plans are now being formulated to implement a secondary (waterflood) recovery project. Crew is currently working with its partner in the area to develop an application to the B.C. regulatory authorities for the waterflood project. When the project is approved, construction will begin on the required facilities with completion currently planned for the fourth quarter of 2004. Once the waterflood is implemented and current production restrictions are lifted, 400 to 600 boe/d of incremental net light oil production is expected. Additional drilling is anticipated to begin after spring break-up to further develop the two oil pools discovered in 2003.

In the Plains Core during the quarter, three (3.0 net) natural gas wells were drilled and completed in the Viking-Kinsella area. Tie-ins of these wells have been deferred until after breakup in order to avoid the high cost of conducting this work during the peak drilling season. It is anticipated that these wells should add 400 to 500 mcf/d of gas production once their tie-ins are complete. During the first quarter of 2004 the Company has drilled three (3.0 net) additional natural gas wells and re-completed one (1.0 net) natural gas well in the Viking-Kinsella area. The re-completed well is now on production at around 500 mcf/d, while the three gas wells are expected to be tied-in in the third quarter of 2004.

At Ferrier in central Alberta, Crew has tied-in one (1.0 net) well and is in the process of tying in a second (1.0 net) well and installing a 400 bhp compressor. Production from this project started in early March at rates exceeding 200 boe/d. The construction of these facilities expands Crew's productive capacity in this core area allowing for better control of the timing of production additions. Planned activities in the area include one (1.0 net) first quarter 2004 re-completion of a shallow gas zone and the drilling of two (1.5 net) gas locations in the third or fourth quarter of 2004.

At Edson, Alberta, the tie-in of one (1.0 net) cased dual zone gas discovery was completed in December and brought on stream. This well was followed up by the drilling of one (1.0 net) successful gas well in the first quarter and one (1.0 net) well is currently being drilled. The Company is planning to install an 810 bhp compressor to be added to the Company's gathering system in the area. The installation of this compression will allow for increased production capabilities from the Company's existing and future wells. An additional three (3.0 net) wells are currently planned to be drilled in the Edson area in the third and fourth quarter of 2004.

There has been an increase in activity on a number of coal bed methane (CBM) projects in close proximity to Crew's land holdings in central Alberta. Of particular interest is a large CBM project targeting Horseshoe Canyon coals that has developed on the southern border the of Company's lands at Wimborne and Drumheller, Alberta. Crew has over 50 net sections of land, operates two gas-processing facilities and has an extensive pipeline infrastructure in this area. The Company plans to drill or re-complete three wells in the summer of 2004 to evaluate the CBM potential on its lands at Wimborne and Drumheller.

Oil and Gas Reserves

The oil and gas company interest reserves have been evaluated as at December 31, 2003 by Gilbert Laustsen Jung Associates Ltd. ("GLJ") using the rules provided by National Instrument 51-101. The results are summarized in the tables below:

Before Royalties	Light/ Medium Oil (Mstb)	Natural gas Liquids (Mbbl)	Natural Gas (MMcf)	Barrels of Oil Equiv. (6:1) (Mboe)
Proved developed				
Producing	267	313	10,705	2,364
Non-producing	39	78	2,701	568
Total proved	306	391	13,406	2,932
Probable	61	72	3,913	784
Total proved and probable	367	463	17,319	3,716

Of the 568 Mboe of proved non-producing reserves, approximately 318 Mboe are associated with wells that are planned to be placed on production by the end of the first quarter of 2004. In addition, 52% of the Company's probable reserves are probable producing reserves.

The following reconciliation of the Company's reserves for the period from September 2, 2003 to December 31, 2003 compares changes in the Company's reserves as at September 1, 2003, as evaluated following National Policy 2B (NP-2B) definitions, to the reserves as at December 31, 2003, as evaluated following National Instrument 51-101(NI51-101) definitions. Under NP-2B, Crew's probable reserves were adjusted by a factor of 50% to account for the risk associated with their recovery and reported combined with proved reserves as "established" reserves. Under NI51-101 proved plus probable reserves are defined to have an aggregate 50% certainty of recoverability. Although not precisely comparable, proved plus probable reserves under NI51-101 have been reconciled to established reserves as at September 1, 2003.

	Proved Producing (MMboe)	Total Proved (MMboe)	Total Proved plus Probable (MMboe)
Balance September 1, 2003	1.51	2.24	2.48
Exploration discoveries	0.29	0.47	0.77
Drilling extensions	0.07	0.13	0.16
Improved recoveries	0.33	0.00	0.01
New evaluation standards	0.01	0.00	0.00
Technical revisions	0.38	0.31	0.51
Production	(0.22)	(0.22)	(0.22)
Balance December 31, 2003	2.36	2.93	3.72

The net present value of cash flows from Crew's reserves as at December 31, 2003 is outlined below:

	Before tax ($000s)		After tax ($000s)	
Before Royalties	10%	15%	10%	15%
Proved developed				
Producing	30,705	27,677	25,575	22,826
Non-producing	6,124	5,517	3,515	3,060
Total proved	36,829	33,194	29,090	25,886
Probable	6,392	5,030	4,125	3,151
Total proved and probable	43,221	38,224	33,215	29,037

The net present value of cash flows indicated above are based on the following GLJ (2004-01) price forecast as of December 31, 2003:

Year	WTI @ Cushing (US$/Bbl)	Edmonton Light Crude Oil (C$/Bbl)	Natural Gas at AECO-C Spot (C$/MMbtu)
2004	29.00	37.75	5.85
2005	26.00	33.75	5.15
2006	25.00	32.50	5.00
2007	25.00	32.50	5.00
2008	25.00	32.50	5.00
2009	25.00	32.50	5.00
2010	25.00	32.50	5.00
2011	25.00	32.50	5.00
2012	25.00	32.50	5.00
2013	25.00	32.50	5.00
2014	25.00	32.50	5.00
Thereafter	+1.5%/yr.	+1.5%/yr.	+1.5%/yr.

Capital Program Efficiency

The efficiency of the Company's capital program for the period from September 2, 2003 to December 31, 2003 is summarized below:

	Proved	Proved plus Probable
Capital expenditures ($ thousands)	6,689	6,689
Change in future development capital ($ thousands)	1,363	1,714
Total costs ($ thousands)	8,052	8,403
Reserve additions incl. revisions (Mboe)	916	1,454
Finding and development costs ($/boe)	**$ 8.79**	**$ 5.78**
Operating net back ($/boe)	21.98	21.98
Finding and development costs ($/boe)	8.79	5.78
Recycle ratio	**2.5x**	**3.8x**
Reserve addition incl. revisions (mboe)	916	1,454
Production Sept. 2 to Dec. 31 (mboe)	220	220
Reserve replacement ratio	**4.16x**	**6.61x**

Management's Discussion and Analysis

Crew Energy Inc. ("Crew") commenced operations on September 2, 2003 when certain assets of Baytex Energy Ltd. ("Baytex") were transferred to Crew under a Plan of Arrangement dated July 25, 2003. The Plan of Arrangement resulted in the shareholders of Baytex becoming unit holders of Baytex Energy Trust and shareholders of Crew. The financial information in this report comprises only the operating results for Crew for the three months ended December 31, 2003 and for the period from commencement of operations on September 2 to December 31, 2003, with no comparative information.

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 generally accepted accounting principles ("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.

Sales Volumes Sales volumes for the three months averaged 1,911 boe/d, an increase of 25% over the September average of 1,529 boe/d. Natural gas volumes increased 21% to average 8.6 mmcf/d for the three months with new production coming from Viking-Kinsella and Edson. Liquids volumes increased 39% to average 486 bbl/d as a result of added light oil production at Laprise and liquids production at Edson. Sales volumes for the period from September 2 to December 31 averaged 1,820 boe/d and consisted of 8.2 mmcf/d of natural gas and 454 bbl/d of liquids.

Revenue Revenue for the three months totalled $5.9 million including $1.5 million from oil and ngl sales and $4.4 million from natural gas sales. Revenues for the period from September 2 to December 31 totalled $7.4 million comprised of $1.8 million in liquids sales and $5.6 million in natural gas sales.

Royalties Royalties for the three months totalled $1.1 million or 19% of revenue and for the period from September 2 to December 31, royalties were $1.5 million or 20% of revenues.

Operating Costs Operating costs for the three months totalled $0.8 million or $4.54 per boe and for the period from September 2 to December 31 totalled $1.0 million or $4.68 per boe.

Operating Net Backs

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

	Period ended Dec. 31, 2003		
	Oil & Liquids	**Natural gas**	**Total**
	($/bbl)	($/mcf)	($/boe)
Revenue	32.41	5.62	33.39
Royalties	(7.23)	(1.09)	(6.73)
	25.18	4.53	26.66
Operating costs	(3.39)	(0.85)	(4.68)
Operating netbacks	**21.79**	**3.68**	**21.98**

General and Administrative General and administrative expenses for the three months totalled $188,000 or $1.06/boe and for the period from September 2 to December 31 totalled $250,000 or $1.14/boe.

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 the Company has recorded a stock-based compensation expense totalling $55,500 or $0.31 per boe and for the period from September 2 to December 31 an expense of $73,000 was recorded or $0.33 per boe.

Depletion, depreciation and accretion The provision for depletion, depreciation and accretion was $1.49 million ($8.46/boe) for the three months and included $172,000 ($0.98/boe) of depletion and $72,000 ($0.41/boe) of accretion associated with the Company's asset retirement obligation. For the period from September 2 to December 31, depletion, depreciation and accretion was $1.75 million ($7.96/boe) including $213,000 ($0.97/boe) of depletion and $72,000 ($0.33/boe) of accretion associated with the Company's asset retirement obligation.

The Company has early adopted new recommendations regarding the accounting for asset retirement obligations. As a result, the Company has estimated the fair value of the asset retirement obligation associated with all of its petroleum and natural gas assets with a determinable economic life. The discounted fair value of the obligation is capitalized as part of the cost of the related asset and amortized to expense over the asset's economic life. The associated liability is accreted at the end of each period to reflect the passage of time and changes in the estimated cash flow underlying the initial fair value measurement.

Income Taxes Current tax expense includes an estimate of the Company's Large Corporation Tax for the period.

Liquidity and Capital Resources At December 31, 2003 the Company had a net working capital surplus of $3.9 million including cash on-hand of $7.7 million. Additional capital to fund future capital expenditure programs will be provided by a $12 million demand loan facility that has been provided by a Canadian chartered bank and future cash flow from the Company's on-going oil and gas operations.

Outlook

Crew's team is focused on the continued development of its core areas through organic growth. The Company's land position at year-end of 232,000 net undeveloped acres is generating numerous exploration and development opportunities allowing for the high grading of projects and distribution of capital among several project areas. The 2003 successes at Laprise , Edson, Ferrier and Viking-Kinsella have validated the Company's strategy. In 2004, a number of new exploration opportunities and an evaluation of the Company's significant coal bed methane potential will be undertaken.

The Company's 2004 capital budget has been expanded to $25.5 million. Funding will be provided by the December 31, 2003 working capital of $3.9 million, 2004 cash flow from operations and the Company's existing $12 million bank line. Crew's production is expected to average approximately 2,000 boe/d for the first quarter of 2004 with current production levels averaging in excess of 2,400 boe/d. Crew's 2004 production estimates will remain at 2,200 boe/d as production will be shut-in at Laprise, B.C. for spring break-up and the tie-ins of eight gas wells will now likely occur after spring break-up. Crew is targeting an exit 2004 production rate of 3,000 boe/d and looks forward to reporting its progress towards achieving that goal throughout the year.

Forward-Looking Statements

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

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

Financial statements for the three months and period ended December 31, 2003 are attached.

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CREW ENERGY INC.

Consolidated Balance Sheet
December 31, 2003
(thousands)

Assets

Current assets:		
Cash and short-term investments	$	7,721
Accounts receivable		5,848
		13,569
Future income taxes (note 6)		2,041
Property, plant and equipment (note 3)		30,150
	$	45,760

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	$	9,629
Asset retirement obligation (note 7)		3,896
Shareholders' equity:		
Share capital (note 5)		30,670
Retained earnings		1,565
		32,235
	$	45,760

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

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

	Three months ended Dec. 31, 2003	Sept. 2 to Dec. 31, 2003
	(unaudited)	
Revenue:		
Petroleum and natural gas	$ 5,899	$ 7,354
Royalties	(1,124)	(1,482)
Interest income	39	38
	4,814	5,910
Expenses:		
Operating	798	1,030
General and administration	188	250
Stock-based compensation (note 5(e))	55	73
Depletion, depreciation and accretion	1,487	1,752
	2,528	3,105
Income before income taxes	2,286	2,805
Income taxes (note 6):		
Current	14	18
Future	1,014	1,222
	1,028	1,240
Net income	1,258	1,565
Retained earnings, beginning of period	307	--
Retained earnings, end of period	$ 1,565	$ 1,565
Per share amounts (note 5(f)):		
Basic	$ 0.05	$ 0.07
Diluted	$ 0.05	$ 0.06

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Consolidated Statement of Cash Flows
(thousands)

	Three months ended Dec. 31, 2003 (unaudited)	Sept. 2 to Dec. 31, 2003
Cash provided by (used in):		
Operations:		
Net income	$ 1,258	$ 1,565
Items not involving cash:		
Depletion, depreciation and accretion	1,487	1,752
Stock-based compensation	55	73
Future income taxes	1,014	1,222
Funds from operations	3,814	4,612
Change in non-cash working capital	(2,145)	(2,807)
	1,669	1,805
Financing:		
Share issuance	--	6,017
Investments:		
Exploration and development	(4,860)	(6,689)
Change in non-cash working capital	4,795	6,588
	(65)	(101)
Change in cash and short-term investments	1,604	7,721
Cash and short-term investments, beginning of period	6,117	--
Cash and short-term investments, end of period	$ 7,721	$ 7,721

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Notes to Consolidated Financial Statements
For the three months ended December 31, 2003 and
the period from September 2, 2003 to December 31, 2003
(Tabular amounts in thousands)

1. Significant accounting policies:

Crew Energy Inc. (“Crew” or the “Company”) was incorporated on May 12, 2003 and commenced operations on September 2, 2003 when certain assets of Baytex Energy Ltd. (“Baytex”) were transferred into Crew under a Plan of Arrangement. The Plan of Arrangement resulted in the shareholders of Baytex becoming unit holders of Baytex Energy Trust and shareholders of Crew.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles within the framework of the accounting policies summarized below:

(a) Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Crew Resources Inc. and a partnership, Crew Energy Partnership.

(b) Cash and short-term investments:

Cash and short-term investments include monies on deposit and short-term investments accounted for at cost and having a maturity date of not more than 90 days.

(c) 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.

The Company applies a "ceiling test" to capitalized costs to ensure that the net costs capitalized do not exceed the estimated future net revenues from the production of its Proved reserves, plus the cost of undeveloped lands, less impairment. Future net revenues are calculated at period-end prices and include an allowance for estimated future general and administrative expenses, interest expense, income taxes and future capital expenditures.

Gains or losses on the disposition of oil and gas properties are not ordinarily recognized except under circumstances, which result in a change in the depletion rate of 20% or more.

Depreciation of office furniture and equipment is provided using the declining balance method at an annual rate of 20%.

(d) Interest in joint ventures:

A portion of the Company's oil and gas exploration and development activity is conducted jointly with others and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

(e) Asset retirement obligations:

The fair value of the liability for the Company's asset retirement obligations ("ARO") is recorded in the period in which it is incurred, discounted to its present value using Crew's credit adjusted risk-free interest rate and the corresponding amount is recognized by increasing the carrying amount of the related long-lived asset. The liability is accreted each period, and the capitalized cost is depreciated over the useful life of the related asset. Revisions to the estimated timing of cash flows or to the original estimated undiscounted cost would result in an increase or decrease to the ARO. Actual costs incurred upon settlement of the ARO are charged against the ARO.

(f) Measurement uncertainty:

The amounts recorded for depletion of petroleum and natural gas properties and equipment and the asset retirement obligations are based on estimates. The ceiling test is based on estimates of proved reserves, production rates, oil and natural gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(g) Per share amounts:

Basic per share amounts are calculated using the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated based on the treasury-stock method, which assumes that any proceeds obtained on exercise of options, warrants and performance shares would be used to purchase common shares at the average market price during the period. The weighted average number of shares outstanding is then adjusted by the net change.

(h) Stock-based compensation plans:

The Company accounts for its stock-based compensation programs 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.

(i) Income taxes:

The Company uses the asset and liability method of accounting for future income taxes. The future tax asset or liability is calculated assuming the financial assets and liabilities will be settled at their carrying amount. This amount is compared to the tax assets and the difference is multiplied by the substantively enacted tax rate when the temporary differences are expected to reverse.

(j) Financial instruments:

The Company periodically will utilize financial instruments to manage exposures to fluctuations in commodity prices and foreign currency exchange rates. All transactions of this nature that are entered into by the Company are related to underlying future petroleum and natural gas production. The Company does not use derivative financial instruments for trading purposes. Gains and losses on derivative contracts are recognized in income in the period that the transactions are settled. The fair value of derivative instruments are not recorded in the balance sheet.

2. Plan of Arrangement/Related Party Transaction:

Effective September 2, 2003 and pursuant to a Plan of Arrangement, Baytex transferred certain property, plant and equipment to Crew. In exchange, the former Baytex shareholders received 1/3 of a Crew common share for every common share of Baytex held prior to the arrangement. The number of shares of Crew, which were issued to former Baytex shareholders as a result of the transaction were 19,345,696. At the time of the transaction, Crew and Baytex were related companies resulting in the transfer of the assets and related liabilities to Crew from Baytex at their carrying value. Details are as follows:

Allocated:		
Petroleum and natural gas properties and equipment	$	24,848
Office furniture and equipment		137
Future income tax asset		3,263
Asset retirement obligations		(3,741)
Net assets transferred and share capital issued	$	24,507

In conjunction with the Plan of Arrangement the Company adopted a new accounting standard, Asset Retirement Obligations. As a result of adopting this section an entry has been recorded to increase the asset retirement obligations by $3,182,000 increase petroleum and natural gas properties and equipment by $3,741,000, decrease the future income tax asset by $195,000 and increase share capital by $364,000.

Under the Plan of Arrangement Crew and Baytex entered into a technical services agreement under which Baytex Energy Trust provided administrative services to Crew until December 31, 2003. As a result, Baytex Energy Trust handled a majority of Crew's receipts and disbursements during the period from commencement of operations on September 2, 2003 to December 31, 2003 and as at December 31, 2003 the majority of Crew's accounts receivable and accounts payable are due from/to Baytex Energy Trust.

3. Property, plant and equipment:

		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 December 31, 2003 of $5,530,000 has been excluded from the depletion calculation.

During the period ended December 31, 2003, $323,000 of corporate expenses related to exploration and development activities was capitalized.

4. Bank facility:

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

Cash interest income received during the three months and the period ended December 31, 2003 totalled $30,000.

5. 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		
Issued for cash as private placement	3,635	$ 5,998
Issued on transfer of assets (note 2)	19,346	24,507
Stock-based compensation	--	146
Common shares, December 31, 2003	22,981	30,651
Class C, performance shares		
Issued for cash	1,881	19
Share capital, December 31, 2003		$30,670

(c) Private placement:

On September 1, 2003 the Company issued 3,635,000 units for proceeds of $5,998,000. Each unit consisted of one Class B non-voting share and one warrant. Each Class B non-voting share was subsequently exchanged for one Common Share.

(d) Warrants:

The 3,635,000 outstanding warrants entitle the holder to acquire one Common Share of the Company at a price of $1.65 per share at any time subsequent to September 1, 2005 and prior to September 30, 2005.

(e) 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 and period ended December 31, 2003 the Company recorded $110,000 and $146,000, respectively, of compensation expense related to the performance shares and stock options, of which $55,500 and $73,000 was capitalized in accordance with the Company's full cost accounting policy.

(i) Performance shares

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

(ii) Stock options

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

During the period from commencement of operations on September 2, 2003 to December 31, 2003, 156,000 stock options were granted to Crew employees with exercise prices ranging from $3.50 to $3.75 and a weighted average exercise price of $3.70. At December 31, 2003, 156,000 stock options were outstanding with a weighted average remaining term of 3.9 years, a weighted average price of $3.70 and none of the options had vested. The fair value of the stock options granted during the period as calculated by the Black-Scholes method is $1.50 per share.

(f) Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the period ended December 31, 2003 was 22,981,000.

In computing diluted earnings per share for the three months and period ended December 31, 2003, 2,639,000 and 2,753,000 shares, respectively, were added to the weighted average number of common shares outstanding for the dilution added by the warrants, performance shares and stock options.

6. Income taxes:

(a) Income tax provision:

The provision for income taxes in the financial statements differs from the result, which would have been obtained by applying the combined federal and provincial tax rate to the Company's earnings before income taxes. This difference results from the following items:

	Three months ended Dec. 31,2003	Sept. 2 to Dec. 31, 2003
Earnings before income taxes	$ 2,286	$ 2,805
Combined federal and provincial tax rate	40.9%	40.9%
Computed "expected" income tax expense	$ 935	$ 1,148
Increase (decrease) in income taxes resulting from:		
Non-deductible crown charges	310	420
Resource allowance	(305)	(400)
Stock-based compensation	45	60
Rate change	(17)	(35)
Other	46	29
Future income taxes	1,014	1,222
Capital taxes	14	18
Income taxes	$ 1,028	$ 1,240

Cash taxes paid during the period were nil.

(b) Future income tax asset:

The components of the Company's future income tax asset are as follows:

Asset retirement obligation	$ 1,360
Property, plant and equipment	101
Non-capital loss	580
Future income tax asset	$ 2,041

7. 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 $3,896,000 as at December 31, 2003 based on a total future liability of $6,847,000. 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	$	3,741
Increase in liabilities during the period		83
Accretion expense		72
Carrying amount, end of period	$	3,896

8. Financial instruments:

(a) Commodity price risk management:

At December 31, 2003, the Company had no fixed price contracts associated with future production.

(b) Foreign currency exchange risk:

The Company is exposed to foreign currency fluctuations as crude oil and natural gas prices received are referenced to U.S. dollar denominated prices.

(c) Fair value of financial instruments:

The carrying amounts of financial instruments included on the balance sheet, approximate their fair value due to their short-term maturity.

(d) Credit risk:

A substantial portion of the Company's accounts receivable are with customers and joint venture partners in the petroleum and natural gas industry and are subject to normal industry credit risk. Purchases of the Company's natural gas, crude oil, and natural gas liquids are subject to an internal credit review to minimize the risk of none payment.