



CREW ENERGY PRESENTS 2005 FOURTH QUARTER AND ANNUAL FINANCIAL RESULTS
CALGARY, ALBERTA – March 14, 2006

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

Highlights

- Funds from operations in the fourth quarter were \$21.1 million, a 153% increase over the fourth quarter of 2004 and a 37% increase over the third quarter of 2005;
- Net income in the fourth quarter was \$8.7 million, a 160% increase over the fourth quarter of 2004 and 38% greater than the third quarter of 2005;
- Achieved top tier financial metrics with an earnings to cash flow ratio of 41%, cash flow to revenue ratio of 69%, general and administrative expenses per boe of \$0.55 and funds from operations netback of \$48.46 per boe;
- Reserves per share increased 50% over 2004 from 290 boe per 100 shares to 436 boe per 100 shares.
- Maintained a strong balance sheet with no bank debt and a \$6.6 million working capital deficiency at year-end;
- Fourth quarter production averaged 4,730 boe/d, an increase of 52% over the fourth quarter of 2004 and 16% over the third quarter of 2005;
- Achieved our target exit rate of 5,700 to 6,000 boe per day with current production of approximately 6,200 boe per day;
- Increased the net present value of the Company's reserves discounted at 10% by 119% to \$314.6 million;
- Achieved annual finding and development costs of \$13.85 per boe proved plus probable, before including the change in future development costs and \$15.55 per boe proved plus probable after including the change in future development costs;
- High netbacks and low finding and development costs resulted in recycle ratios of 1.8 times based on proved reserves and 2.9 times based on proved plus probable reserves;
- Crew's proved plus probable reserve life index (RLI) increased to 8.8 years from 8.2 at the end of 2004;

Finance	Three months ended	Three months ended	%	Year ended	Year ended	%
(\$ thousands, except per share amounts)	Dec. 31, 2005	Dec. 31, 2004	Chg	Dec. 31, 2005	Dec. 31, 2004	Chg
Petroleum and natural gas sales	30,520	12,721	140	87,532	37,702	132
Funds from operations (note 1)	21,084	8,330	153	59,491	24,076	147
Per share - basic	0.69	0.33	110	2.11	0.97	118
- diluted	0.65	0.28	132	1.86	0.84	121
Net income	8,746	3,358	160	24,641	8,948	175
Per share - basic	0.28	0.13	115	0.87	0.36	142
- diluted	0.27	0.11	145	0.77	0.31	148
Explor. and dev. expenditures	41,422	20,775	99	101,698	55,181	84
Working capital deficiency				6,575	3,822	
Weighted average shares (thousands)						
Basic				28,196	24,946	13
Diluted				31,956	28,675	11

Notes:

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

Operations	Three	Three	%	Year	Year	%
	months	months		ended	ended	
	ended	ended	Chg	ended	ended	Chg
	Dec. 31, 2005	Dec. 31, 2004		Dec. 31, 2005	Dec. 31, 2004	
Daily production						
Light oil and ngl (bbl/d)	710	772	(8)	802	569	41
Natural gas (mcf/d)	24,119	14,041	72	20,511	11,248	82
Oil equivalent (boe/d @ 6:1)	4,730	3,112	52	4,221	2,444	73
Average prices (excluding transportation)						
Light oil and ngl (\$/bbl)	64.29	53.31	21	60.65	47.47	28
Natural gas (\$/mcf)	11.86	6.91	72	9.32	6.75	38
Oil equivalent (\$/boe)	70.14	44.42	58	56.81	42.15	35
Operating expenses						
Light oil and ngl (\$/bbl)	4.76	4.06	17	4.70	3.84	22
Natural gas (\$/mcf)	0.87	0.66	32	0.74	0.67	10
Oil equivalent (\$/boe @ 6:1)	5.16	3.98	30	4.48	3.96	13
Operating netback (\$/boe) (note 1)	49.30	29.55	67	39.74	27.57	44
G&A and other cash items (\$/boe)	0.84	0.44	91	1.13	0.66	71
Funds from operations (\$/boe)	48.46	29.11	66	38.61	26.91	43
Drilling Activity						
Gross wells	32	16	100	60	39	54
Working interest wells	28.1	12.7	121	52.9	32.2	64
Success rate, net wells	86%	92%		87%	91%	

Notes:

- (1) Netback - equal total revenue less royalties and operating costs calculated on a boe basis. Netback 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.

Operational Update

Edson, Alberta

Crew drilled seven gas wells at Edson in the fourth quarter and has plans to drill seven additional wells in the first quarter of 2006. As previously announced, the Company acquired a 15% interest in the 90 mmcf/d South Rosevear sour gas processing facility along with associated production of 150 boe per day from the South Rosevear Gas Unit #1. The Company is currently constructing a 19 km pipeline to connect its Edson area gas production into the Rosevear facility. This project is in its final stages and is expected to be completed before the end of the first quarter. To accommodate additional production volumes from this area Crew (WI – 100%) has plans to expand its compression capacity in this area to 21 mmcf per day. The Company has approximately 700 boe per day of production to tie-in at Edson and will be drilling another three wells this quarter. Crew has significantly expanded its land base in the area from just 13 sections in 2003 to 57 net sections today. Crew plans to drill up to 20 wells in the Edson area in 2006.

Ferrier, Alberta

Crew has 42 net sections of land in the Ferrier area in east central Alberta. The Company currently has three gas wells to tie-in and has plans to drill up to three wells targeting light oil and five wells targeting gas/condensate in 2006. Crew currently has approximately 450 boe per day of production behind pipe at Ferrier.

Inga, B.C.

In 2005, Crew (WI – 100%) built a 3 mmcf per day gas facility at Inga and in the fourth quarter expanded its capacity to 6 mmcf per day. The Company has drilled five wells in this area to date and is currently producing 4.5 mmcf per day of gas through this facility. Crew has a 100 % working interest in 22 sections of land in this area and is currently acquiring 3D seismic in order to define additional locations to be drilled in 2006.

Viking-Kinsella

Crew drilled eleven (9.7 net) wells in the Viking-Kinsella area in the fourth quarter resulting in 8 (6.7 net) natural gas wells and 3 (3 net) dry and abandoned wells. Crew has plans to drill a minimum of 15 wells in the area this year and is currently acquiring 3D seismic in order to define additional 2006 drilling locations. The Company recently added to its land position at Viking-Kinsella through a farm-in on 18 sections of undeveloped land, bringing Crew's total land position in the area to over 100 sections.

Wimborne-Drumheller

Crew drilled 6 (5.5 net) wells at Wimborne-Drumheller in the fourth quarter resulting in 6 (5.5 net) natural gas wells. These wells targeted the Belly River and Edmonton sandstone formation, are in various stages of completion and tie-in and are expected to be on production by the end of the first quarter of 2006.

Crew's lands in the Wimborne area are surrounded by new natural gas developments targeting the Horseshoe Canyon coals. Typical Horseshoe Canyon natural gas developments would incorporate the drilling of four to eight wells per section with production rates of 70-300 mcf per day per well. Crew has 42 net sections of Horseshoe Canyon coal rights in the Wimborne-Drumheller area. The Company also owns and operates an extensive pipeline infrastructure and two gas processing facilities in this area.

Exploration

As previously announced, Crew recently drilled a well (WI -100%) in west central Alberta which, on completion, flow tested sweet 37° API oil at rates of 605 to 830 bbl per day and natural gas at 1.2 mmcf per day. A production facility is currently being constructed to accommodate this production. The Company has two to three offset locations to this discovery. A 3,300 meter exploration well at Peco, Alberta was recently drilled and cased. The well has three prospective pay zones, two of which are expected to be completed this quarter. Crew is planning to drill an offset to this discovery after spring break-up and has five contiguous sections (WI – 100%) on trend with this discovery. Other exploration wells planned include a 4,200 meter Winterburn test targeting gas/condensate at Hanlan, Alberta, a 3,200 meter Leduc test targeting light oil at Medicine River, Alberta and a 2,400 meter Viking test targeting light oil at Ferrier, Alberta.

Outlook

Since Crew commenced operations in September 2003 the Company's production has increased over 300% to 6,200 boe per day and has grown over 200% on a per share basis. This growth has been achieved 95% through organically generated exploration and development drilling. Crew has in excess of 216,000 net undeveloped acres of land available for future exploration and development. Our technical staff is continuously adding to the Company's inventory of drilling locations. Crew's current inventory contains enough locations, at the current rate of drilling, to provide the Company opportunities through to 2008.

The Company's Board of Director's has approved a \$100 million exploration and development budget for 2006 of which 75% will be directed toward development drilling in the Company's core areas of Edson, Ferrier and Viking-Kinsella in Alberta and Inga in northeast British Columbia. The development budget is expected to increase the Company's production to in excess of 7,500 boe per day by the end of 2006. In addition, the Company plans to spend the remaining \$25 million of its drilling budget on higher risk, higher reward exploration wells which with success will add to the Company's production and generate new core areas of focus. We look forward to reporting the progress of our 2006 program in our first quarter report in May 2006.

Land Holdings

One of the "Crew advantages" has been its large prospective undeveloped land base. During 2005 the Company continued to strategically acquire additional lands through Crown land sales, freehold mineral leasing and farm-in arrangements. A summary of the Company's land holdings at December 31, 2005 is outlined below:

	Developed		Undeveloped	
	Gross	Net	Gross	Net
Alberta	149,733	76,808	231,800	187,661
British Columbia	5,603	4,153	36,737	28,519
	155,336	80,961	268,537	216,180

Oil and Gas Reserves

Information regarding the Company's December 31, 2005 reserves has been previously distributed in a press release dated February 22, 2006. The Company's reserves were evaluated for the year ended December 31, 2005 by GLJ Petroleum Consultants ("GLJ") in accordance with the rules provided by National Instrument 51-101. The following table provides summary information presented in the GLJ report effective December 31, 2005 and based on the GLJ (2006-01) price forecast. Additional reserves information will be presented in the Statement of Reserves Data and Other Oil and Gas Information section of the Company's 2005 Annual Information Form scheduled to be filed on SEDAR prior to March 31, 2006.

	Light/Medium Oil		Natural Gas Liquids		Natural Gas		Barrels of Oil Equivalent	
	Comp. Int. (Mbbbl)	Net (Mbbbl)	Comp. Int. (Mbbbl)	Net (Mbbbl)	Comp. Int. (MMcf)	Net (MMcf)	Comp. Int. (Mbbbl)	Net (Mbbbl)
Proved								
Producing	240	211	924	652	38,192	30,054	7,529	5,872
Non-producing	83	70	189	130	6,040	4,702	1,279	984
Undeveloped	0	0	143	98	4,912	3,941	961	755
Total proved	323	281	1,255	880	49,144	38,698	9,769	7,611
Probable	221	192	679	471	26,846	21,815	5,374	4,299
Total proved & probable	544	474	1,934	1,351	75,990	60,513	15,144	11,910

Notes:

- (1) "Comp. Int." reserves means, Crew's working interest (operating and non-operating) share before deduction of royalties and including any royalty interest of the Company.
- (2) "Net" reserves means, Crew's working interest (operated and non-operated) share after deduction of royalties obligations, plus Crew's royalty interest in reserves.
- (3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
- (4) May not add due to rounding.

The following reconciliation of Crew's Company Interest (note 1) reserves compares changes in the Company's reserves as at December 31, 2004 to the reserves as at December 31, 2005, each evaluated following National Instrument 51-101(NI51-101) definitions.

	Proved Producing (Mboe)	Total Proved (Mboe)	Total Proved plus Probable (Mboe)
Balance December 31, 2004	5,043	6,824	9,341
Technical	465	-6	-99
Exploration discoveries	1,034	1,102	1,479
Drilling extensions	1,244	2,871	4,889
Infill Drilling	474	474	891
Improved recoveries	807	42	181
Production	-1,538	-1,538	-1,538
Balance December 31, 2005	7,529	9,769	15,144

Notes:

- (1) Company Interest reserves means, Crew's working interest (operating and non-operating) share before deduction of royalties and including any royalty interest of the Company.
- (2) May not add due to rounding

Capital Program Efficiency

The efficiency of the Company's capital program for the year ended December 31, 2005 is summarized below:

	Proved	Proved plus Probable
Capital expenditures (\$ thousands)	101,698	101,698
Change in future development capital (\$ thousands)	3,700	12,434
Total costs (\$ thousands)	105,398	114,132
Reserves additions including revisions (Mboe)	4,483	7,341
Finding and development costs without change in future capital (\$/boe)	\$22.69	\$13.85
Finding and development costs with change in future capital (\$/boe)	\$23.51	\$15.55
Operating netback (\$/boe)	39.74	39.74
Finding and development costs (\$/boe)	22.69	13.85
Recycle ratio	1.8x	2.9x
Reserves additions including revisions (Mboe)	4,483	7,341
Total production 2005 (Mboe)	1,540	1,540
Reserves replacement	291%	477%
Total Company Interest reserves (Mboe)	9,769	15,144
Fourth quarter 2005 production (boe/d)	4,730	4,730
Annual 2005 production (boe/d)	4,221	4,221
RLI based on fourth quarter annualized production (years)	5.7	8.8
RLI based on 2005 annual production (years)	6.3	9.8

Reserves Values

The before tax estimated future net revenues associated with Crew's reserves effective December 31, 2005 and based on GLJ (2006 – 01) forecast prices and December 31, 2005 constant prices are summarized in the following table:

(\$ thousands)	Forecast Prices		Constant Prices	
	5%	10%	5%	10%
Proved				
Producing	227,447	201,073	259,347	224,542
Non-producing	31,983	27,037	40,150	33,275
Undeveloped	17,394	13,394	24,482	18,432
Total proved	276,824	241,504	323,980	276,549
Probable	102,827	73,107	136,121	96,477
Total proved and probable	379,651	314,611	460,101	373,025

Notes:

- (1) The estimated future net revenues are stated before deducting future estimated site restoration costs, but include the Alberta Royalty Tax Credit, and are reduced for estimated future abandonment costs and estimated capital for future development associated with the reserves.
- (2) Constant pricing assumptions include a base Canadian Light/medium oil price of \$68.27 per bbl and natural gas of \$9.71 per mcf, Pentane plus of \$71.67 per bbl, butane of \$50.52 per bbl and propane of \$43.69 per bbl.
- (3) May not add due to rounding.

Management's Discussion and Analysis

Management's discussion and analysis ("MD&A") is the Company's explanation of its financial performance for the period covered by the financial statements along with an analysis of the Company's financial position. Comments relate to and should be read in conjunction with the consolidated financial statements of the Company for the three month periods and years ended December 31, 2005 and 2004 and the audited and consolidated financial statements and Management Discussion and Analysis for the year ended December 31, 2004.

Certain of the statements set forth under "Management's Discussion and Analysis" and elsewhere in this press release, including statements which may contain words such as "could", "expect", "believe", "will", "budgeted", "forecasted" and similar expressions and statements relating to matters that are not historical facts, are forward-looking and are based upon the Company's current belief as to the outcome and timing of such future events. There are numerous risks and uncertainties that can affect the outcome and timing of such events, including many factors beyond the control of the Company. These factors include, but are not limited to, the matters described under the heading "Risk and Risk Management" in the Company's 2004 MD&A. 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 2006 and beyond could differ materially from those expressed in the forward-looking statements. The forward looking statements may not be updated by the Company, except as required by applicable securities law. Such forward-looking statements should be read in conjunction with the Company's disclosures under the heading: "CAUTIONARY STATEMENT" contained in this release.

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

Crew evaluates performance based on net income and funds 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 and asset retirement expenditures. 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. In addition, management uses Netback, a non-GAAP term, to analyze operating performance and leverage. Netback equals total revenue less royalties and operating costs calculated on a boe basis.

Production Production for the quarter ended December 31, 2005 averaged 4,730 boe/d, an increase of 52% over the fourth quarter of 2004's production of 3,112 boe per day. Production increased due to the Company's successful drilling program. Natural gas volumes grew to 24.1 MMcf/d a 72% increase over the 14.0 MMcf/d produced for the same period in 2004. Light oil and natural gas liquids ("nngl") production decreased 8% to 710 bbls/d in the fourth quarter compared to 772 bbls/d in the fourth quarter of 2004. This decrease was a result of crown production restrictions on light oil produced in the Laprise, B.C. area. Production for 2005 averaged 4,221 boe/d, an increase of 73% over the 2,444 boe/d produced in 2004. Production increased throughout 2005 as a result of the Company's successful drilling program. Natural gas volumes increased 82% to 20.5 MMcf/d as a result of added production from new wells at Edson, Plain Lake, and Viking Kinsella in Alberta as well as Inga in B.C. Liquid production increased 41% to 802 bbl/d in 2005 as a result of increased ngl production at Edson.

Revenue Revenue for the fourth quarter of 2005 totalled \$30.5 million including natural gas revenue of \$26.3 million and light oil and ngl revenue of \$4.2 million. These amounts compared to fourth quarter 2004 revenue of \$12.7 million including natural gas revenue of \$8.9 million and light oil and natural gas liquids of \$3.8 million. The 2005 fourth quarter revenue increased over the fourth quarter 2004 due to increased production and higher commodity pricing. The Company's oil and ngl price averaged \$64.29 for the fourth quarter of 2005 compared with \$53.31 for the same period in 2004. Natural gas prices increased 72% to average \$11.86 in the fourth quarter of 2005 compared with \$6.91 in 2004. Revenue in 2005 totalled \$87.5 million comprised of \$69.8 million in natural gas sales and \$17.7 million in oil and ngl sales. This compared with revenue for the same period of 2004 of \$37.7 million comprised of \$27.8 million in natural gas sales and \$9.9 million in oil and ngl sales. Crew's revenue grew quarter over quarter throughout 2005 bolstered by increasing production and strong commodity prices. The Company's oil and ngl price averaged \$60.65 per bbl in 2005 representing an increase of 28% over the \$47.47 realized in 2004. Average natural gas prices increased 38% to \$9.32 in 2005 compared to the \$6.75 realized during the same period in 2004.

Royalties Royalties for the fourth quarter of 2005 totalled \$6.5 million, before Alberta Royalty Tax Credit (ARTC) of \$0.1 million, or 21.3% of revenue compared to \$3.1 million, before ARTC of \$0.4 million, or 24.1% of revenue for the fourth quarter of 2004. Royalty rates as a percentage of sales have decreased due to certain wells in the Edson, Alberta area achieving royalty holiday status. Royalties for 2005 totalled \$18.1 million, before ARTC of \$0.5 million, in 2005 or 20.6% of revenues compared with royalties of \$8.9 million, before ARTC of \$0.5 million, or 23.7% of revenues for the same period in 2004. Royalty rates as a percentage of revenue decreased in 2005 due to new Edson, AB deep gas wells receiving royalty holiday status, gas cost allowance credits received, and government programs reducing oil royalties in the northeastern BC area.

Operating Costs Operating costs for the three months ended December 31, 2005 totalled \$2.2 million or \$5.16 per boe compared to \$1.1 million or \$3.98 for the same period in 2004. This increase in costs per unit is a result of continued inflationary pressures and an increase in production of sour gas. Operating costs totalled \$6.9 million or \$4.48 per boe in 2005. During 2004, the Company incurred total operating costs of \$3.5 million or \$3.96 per boe. Operating costs per unit have increased in 2005 as a result of inflationary pressures and increased production of sour gas.

Transportation Transportation costs for the fourth quarter of 2005 were \$0.4 million or \$0.95 per boe compared to \$0.4 million or \$1.33 per boe in the fourth quarter of 2004. The decrease in transportation costs per unit is the result of an increased weighting of natural gas production to more costly transported oil production. Transportation costs for all of 2005 remained consistent on a boe basis totalling \$1.8 million or \$1.17 per boe compared to costs of \$1.0 million or \$1.17 per boe in 2004.

Operating Netbacks

	Three months ended December 31, 2005			Three months ended December 31, 2004		
	Oil and Liquids (\$/bbl)	Natural Gas (\$/mcf)	Total (\$/boe)	Oil and Liquids (\$/bbl)	Natural Gas (\$/mcf)	Total (\$/boe)
Revenue	\$ 64.29	\$ 11.86	\$ 70.14	\$ 53.31	\$ 6.91	\$ 44.42
Royalties	(11.54)	(2.60)	(14.96)	(9.89)	(1.83)	(10.71)
Alberta royalty tax credit	-	-	0.23	-	-	1.15
Operating costs	(4.76)	(0.87)	(5.16)	(4.06)	(0.66)	(3.98)
Transportation costs	(1.50)	(0.14)	(0.95)	(2.99)	(0.13)	(1.33)
Operating Netbacks	\$ 46.49	\$ 8.25	\$ 49.30	\$ 36.37	\$ 4.29	\$ 29.55

	Year ended December 31, 2005			Year ended December 31, 2004		
	Oil and Liquids (\$/bbl)	Natural Gas (\$/mcf)	Total (\$/boe)	Oil and Liquids (\$/bbl)	Natural Gas (\$/mcf)	Total (\$/boe)
Revenue	\$ 60.65	\$ 9.32	\$ 56.81	\$ 47.47	\$ 6.75	\$ 42.15
Royalties	(11.04)	(1.98)	(11.73)	(8.77)	(1.73)	(9.99)
Alberta royalty tax credit	-	-	0.31	-	-	0.54
Operating costs	(4.70)	(0.74)	(4.48)	(3.84)	(0.67)	(3.96)
Transportation costs	(2.62)	(0.14)	(1.17)	(2.31)	(0.14)	(1.17)
Operating Netbacks	\$ 42.29	\$ 6.46	\$ 39.74	\$ 32.55	\$ 4.21	\$ 27.57

General and Administrative General and administrative expenses for the fourth quarter of 2005 totalled \$0.2 million or \$0.55 per boe compared to \$0.2 million or \$0.53 per boe for the fourth quarter of 2004. Increased general and administrative costs before recoveries and capitalization were offset by a large overhead recovery from the Company's substantial fourth quarter drilling program. General and administrative expenses for the year ended December 31, 2005 totalled \$1.3 million or \$0.82 per boe and in 2004 totalled \$0.8 million or \$0.89 per boe. Total general and administrative expenses increased in 2005 as a result of the addition of new staff to handle the Company's increased activity. General and administrative costs per boe have decreased in 2005 as a result of the Company's production increase. Crew follows the full cost method of accounting for its petroleum and natural gas operations under which \$ 1.3 million (2004 - \$0.8 million) of costs were capitalized during the year.

Interest Interest expense totalled \$78,000 for the fourth quarter of 2005 compared with no interest expense for 2004. Interest expense totalled \$437,000 or \$0.28 per boe for the year ended December 31, 2005 compared to no interest expenses incurred in 2004. Throughout 2004, the Company did not draw on its available credit facility as expenditures were funded through cash flow from operations and capital raised through the issuance of equity. In 2005, the Company did draw on its credit facility to aid in financing the 2005 capital program and recorded \$155,000 of interest related to the timing of expenditures on its 2004 flow through obligation.

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 December 31, 2005 the Company has recorded a stock-based compensation expense totalling \$543,000 or \$1.25 per boe compared to \$86,000 or \$0.30 per boe for the fourth quarter of 2004. During 2005 stock-based compensation expense of \$1.0 million (2004 - \$0.3 million) was recorded in the income statement and \$1.0 million (2004 - \$0.3 million) was capitalized to the Company's full cost pool. Increased stock-based compensation in 2005 is due to an increase in employees added in 2005.

Depletion, depreciation and accretion The provision for depletion, depreciation and accretion was \$6.4 million or \$14.78 per boe for the three months ended December 31, 2005. This compares to a fourth quarter 2004 provision of \$3.0 million or \$10.49 per boe. The provision for the year ended December 31, 2005 was \$19.7 million or \$12.78 per boe. The provision for 2004 was \$9.6 million or \$10.78 per boe. Per unit depletion has increased in 2005 due to an increase in the average cost of proved reserves added resulting from inflationary pressures experienced throughout the industry as well as increased expenditures on land and facilities.

Funds from operations and net income Funds from operations in the fourth quarter of 2005 grew to \$21.1 million, a 153% increase over the fourth quarter of 2004 total of \$8.3 million. On a per share basis, funds from operations were \$0.69 per basic share and \$0.65 per diluted share compared to \$0.33 per basic share and \$0.28 per diluted share in the fourth quarter of 2004. Net income increased to \$8.7 million in the fourth quarter representing a 160% increase over the fourth quarter of 2004. On a per share basis net income was \$0.28 per basic share and \$0.27 per diluted share. Funds from operations for the year totalled \$59.5 million or \$2.11 per basic share and \$1.86 per diluted share, while net income totalled \$24.6 million for the year or \$0.87 per basic share and \$0.77 per diluted share. These amounts compare to \$24.1 million, \$0.97 per basic share and \$0.84 per diluted share of from operations and \$8.9 million, \$0.36 per basic share and \$0.31 per diluted share of net income earned in the same period of 2004. The Company's increase in funds from operations and net income was the result of increased production from new wells and higher commodity prices in 2005.

Liquidity and Capital Resources At December 31, 2005 Crew had a net working capital deficiency of \$6.6 million including cash and short-term investments of \$16.3 million. The Company currently has a \$90 million credit facility with a Canadian chartered bank. At year-end there were no borrowings against this facility. The demand operating facility bears interest at the bank's prime lending rate, bankers' acceptance rates plus scheduled margins and is allowed to revolve at the Company's discretion. During 2005, the Company issued 1,790,600 Common Shares for gross proceeds of \$35.0 million. Of the shares issued, 416,700 shares were issued on a flow-through basis under which the Company has committed to renounce \$10.0 million of certain Canadian tax deductions to the purchasers. The capital expenditures related to these tax deductions will be incurred throughout 2006. Looking forward Crew will continue to focus on maintaining a strong financial position. The Company is currently planning to fund its 2006 capital expenditure program through a combination of existing bank lines and the Company's cash flow from on-going operations. Emphasis will continue to be placed on maintaining the Company's strong financial position and management will endeavor not to exceed a total debt to forward cash flow ratio of more than one time. As at March 13, 2006, 33,284,882 Common Shares and 787,000 Class C performance shares of the Company were outstanding along with 1,844,500 options to acquire Common Shares of the Company.

Operations and Capital Expenditures During the fourth quarter the Company drilled a total of 32 (28.1 net) wells resulting in 27 (23.1 net) natural gas wells, 1 (1.0 net) oil wells, and 4 (4.0 net) dry and abandoned wells. In 2005 Crew drilled a total of 60 (52.9 net) wells resulting in 50 (42.9 net) gas wells, 3 (3.0 net) oil wells, and 7 (7.0 net) D&A wells representing a success rate of 88% (87% net). In addition, the Company also continued to follow its strategy of, where possible, owning and controlling its processing and gathering facilities. As a result, in 2005 the Company spent 24% of its total capital expenditures on the construction of gas processing and compression equipment at Edson, Ferrier and Inga as well as adding extensive gas gathering systems at Edson, Plain Lake and Viking-Kinsella. In addition, 14% of the Company's expenditures were directed to the acquisition of mineral leases primarily through Crown land sales. This compares to 11% of expenditures on mineral leases in 2004. Total exploration and development expenditures for 2005 were \$101.7 million compared to \$55.2 million for the same period in 2004. The expenditures are detailed below:

(thousands)	Three months ended December 31, 2005	Year ended December 31, 2005
Land	\$ 1,343	\$ 13,849
Seismic	1,239	5,091
Drilling and completions	29,283	56,791
Facilities, equipment and pipelines	9,236	24,412
Other	321	1,555
Total	\$41,422	\$101,698

Quarterly Analysis The following table summarizes the Crew's key quarterly financial results in 2004 and 2005:

(\$ thousands, except per share amounts)	Dec. 31, 2005	Sep. 30, 2005	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	Jun. 30, 2004	Mar. 31, 2004
Petroleum and natural gas sales	30,520	22,304	18,673	16,035	12,721	9,194	8,328	7,459
Funds from operations	21,084	15,423	12,521	10,463	8,330	5,906	5,171	4,669
Per share – basic	0.69	0.56	0.47	0.39	0.33	0.23	0.21	0.20
– diluted	0.65	0.48	0.40	0.33	0.28	0.20	0.18	0.18
Net income	8,746	6,328	5,279	4,288	3,358	2,064	1,840	1,686
Per share – basic	0.28	0.23	0.20	0.16	0.13	0.08	0.07	0.07
– diluted	0.27	0.20	0.17	0.14	0.11	0.07	0.07	0.06
Total daily production (boe/d)	4,730	4,093	4,217	3,833	3,112	2,428	2,160	2,068

Crew has grown production over the past eight quarters through organically generated exploration and development drilling. The Company's financial performance has been supported by this increased production and rising commodity prices throughout the period.

Dated as of March 13, 2006

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 that forecast.

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

Financial statements for the three month periods and years ended December 31, 2005 and 2004 are attached.

FOR DETAILED INFORMATION, PLEASE CONTACT:

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CREW ENERGY INC.
 Consolidated Balance Sheet
 (unaudited, thousands)

	December 31, 2005	December 31, 2004
Assets		
Current Assets:		
Cash and cash equivalent	\$ 16,302	\$ 7,069
Accounts receivable	18,874	11,346
	<u>35,176</u>	<u>18,415</u>
Property, plant and equipment (note 2)	162,428	77,123
	<u>\$ 197,604</u>	<u>\$ 95,538</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 41,751	\$ 22,297
Asset retirement obligations (note 3)	7,182	4,984
Future income taxes (note 6)	19,177	2,675
Shareholders' Equity		
Share capital (note 5)	92,653	54,382
Contributed surplus (note 5)	1,687	687
Retained Earnings	35,154	10,513
	<u>129,494</u>	<u>65,582</u>
Commitments (note 7)		
	<u>\$ 197,604</u>	<u>\$ 95,538</u>

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 December 31, 2005	Three months ended December 31, 2004	Year ended December 31, 2005	Year Ended December 31, 2004
Revenue				
Petroleum and natural gas sales	\$ 30,520	\$ 12,721	\$ 87,532	\$ 37,702
Royalties (net of Alberta Royalty Tax Credit)	(6,408)	(2,737)	(17,594)	(8,455)
Other	40	41	115	243
	24,152	10,025	70,053	29,490
Expenses				
Operating	2,246	1,140	6,895	3,538
Transportation	413	385	1,808	1,042
General and administrative	242	152	1,266	801
Stock-based compensation	543	86	998	274
Interest	78	--	437	--
Depletion, depreciation and accretion	6,432	3,003	19,688	9,641
	9,954	4,766	31,092	15,296
Income before taxes	14,198	5,259	38,961	14,194
Taxes (note 6)				
Current	89	18	156	33
Future	5,363	1,883	14,164	5,213
	5,452	1,901	14,320	5,246
Net income	8,746	3,358	24,641	8,948
Retained earnings, beginning of year	26,408	7,155	10,513	1,565
Retained earnings, end of year	\$ 35,154	\$ 10,513	\$ 35,154	\$ 10,513
Net Income per share (note 5(e))				
Basic	\$ 0.28	\$ 0.13	\$ 0.87	\$ 0.36
Diluted	\$ 0.27	\$ 0.11	\$ 0.77	\$ 0.31

See accompanying notes to the consolidated financial statements.

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

	Three months ended December 31, 2005	Three months ended December 31, 2004	Year ended December 31, 2005	Year ended December 31, 2004
Cash provided by (used in):				
Operating activities:				
Net income	\$ 8,746	\$ 3,358	\$ 24,641	\$ 8,948
Items not involving cash:				
Depletion, depreciation & accretion	6,432	3,003	19,688	9,641
Stock-based compensation	543	86	998	274
Future income taxes	5,363	1,883	14,164	5,213
Asset retirement expenditures	(99)	1	(99)	(72)
Change in non-cash working capital	261	(1,180)	(2,342)	1,561
	21,246	7,151	57,050	25,565
Financing activities:				
Decrease in bank loan	(7,441)	-	-	-
Issue of common shares	35,375	8,800	41,594	24,850
Share issue costs	(1,940)	(537)	(1,940)	(1,421)
Re-purchase of common shares	-	(74)	(41)	(74)
	25,994	8,189	39,613	23,355
Investing activities:				
Exploration and development	(41,422)	(20,775)	(101,698)	(55,181)
Change in non-cash working capital	10,484	5,895	14,268	5,609
	(30,938)	(14,880)	(87,430)	(49,572)
Change in cash and cash equivalents	16,302	460	9,233	(652)
Cash and cash equivalents, beginning of year	-	6,609	7,069	7,721
Cash and cash equivalents, end of year	\$ 16,302	\$ 7,069	\$ 16,302	\$ 7,069

See accompanying notes to the consolidated financial statements.

CREW ENERGY INC.

Notes to Consolidated Financial Statements
For the three months and years ended December 31, 2005 and 2004
(Unaudited, 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 consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles. Since the determination of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of these financial statements requires the use of estimates and assumptions, which have been made with careful judgement. Specifically, the amounts recorded for depletion and depreciation of property, plant and equipment and the provision for asset retirement obligations and abandonment costs are based on estimates. The ceiling test is based on estimates of reserves, production rates, petroleum 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 such changes in such estimates in future periods could be significant. In the opinion of management, these financial statements have been properly prepared in accordance with Canadian Generally accepted accounting principles within reasonable limits of materiality and within the framework of the significant 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 cash equivalents:

Cash and cash equivalents include monies on deposit and highly liquid 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 expenses.

Capitalized costs, excluding costs relating to unproved properties, are depleted using the unit-of-production method based on estimated proved reserves of petroleum and natural gas before royalties determined using forecast product prices and 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. Proceeds from the sale of petroleum and natural gas properties are applied against capitalized costs, with no gain or loss recognized unless such a sale would alter depletion by more than 20%.

The cost of acquiring and evaluating unproved properties are initially excluded from depletion calculations. These unevaluated properties are assessed periodically for impairment. When proved reserves are assigned or the property is considered impaired the costs of the property or the amount of impairment is added to the costs subject to depletion.

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

1. Significant accounting policies (continued):

assessed to be recoverable if 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 forecast product prices and costs and are discounted using a risk-free interest rate.

(d) Interest in joint ventures:

A portion of the Company's petroleum and natural 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 obligation 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 asset retirement obligation. Actual costs incurred upon settlement of the asset retirement obligation are charged against the asset retirement obligation.

(f) Revenue recognition:

Revenue from the sale of petroleum and natural gas is recorded when title passes to a third party.

(g) Financial instruments:

From time to time, Crew may use swap agreements or other financial instruments to hedge its exposure to fluctuations in petroleum and natural gas prices. Financial instruments are not used for speculative purposes. When Crew enters into a hedge it formally assesses whether the derivatives that are used in the hedging transactions are sufficiently effective in offsetting changes in fair value or cash flows of the hedged item both at the hedge's inception and on an ongoing basis. These derivative contracts, accounted for as hedges, are not recognized on the balance sheet. Realized gains and losses on these contracts are recognized in petroleum and natural gas sales and cash flows in the same period in which the revenues associated with the hedged transactions are recognized. Premiums paid or received are deferred and amortized to earnings over the term of the contract. Financial instruments that do not qualify as a hedge are recorded on a mark-to-market basis with the resulting gains or losses taken into income.

(h) Flow-through shares:

Flow-through shares are issued at a fixed price and the proceeds are used to fund qualifying exploration expenditures within a defined period. The expenditures funded by flow-through arrangements are renounced to investors in accordance with tax legislation. Share capital is reduced and future tax liability is increased by the total estimated future income tax costs of the renounced tax deductions in the period of renouncement.

(i) 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. The weighted average number of shares outstanding is then adjusted by the net change.

1. Significant accounting policies (continued):

(j) Stock-based compensation plans:

The Company accounts for its stock-based compensation programs including stock options, warrants and performance shares, 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 with a corresponding increase in contributed surplus. Consideration paid on exercise of stock options is credited to share capital.

(k) 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.

2. Property, plant and equipment:

December 31, 2005	Cost	Accumulated depletion & depreciation	Net book value
Petroleum and natural gas properties and equipment	\$ 192,573	\$ 30,145	\$ 162,428

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

The cost of unproved properties at December 31, 2005 of \$21,570,000 (2004 - \$10,067,000) was excluded from the depletion calculation. Future development costs of proved reserves of \$12,054,000 (2004 - \$8,353,000) have been included in the depletion calculation.

During the year ended December 31, 2005, \$2,264,000 (2004 - \$1,074,000) of corporate expenses related to exploration and development activities were capitalized.

Crew performed a ceiling test as at December 31, 2005. Based on the calculation, the carrying values are less than the sum of the undiscounted cash flows of the proved reserves based on the following benchmark and Company prices.

	WTI Oil (\$US/Bbl)	F/X Rate (\$Cdn/\$US)	Edmonton Oil (\$/bbl)	Company Liquids (\$/bbl)	AECO Gas (\$/mmbtu)	Company Gas (\$/mcf)
2006	\$57.00	0.85	\$66.25	\$55.63	\$10.60	\$10.63
2007	\$55.00	0.85	\$64.00	\$53.79	\$9.25	\$9.25
2008	\$51.00	0.85	\$59.25	\$49.47	\$8.00	\$7.94
2009	\$48.00	0.85	\$55.75	\$46.31	\$7.50	\$7.43
2010	\$46.50	0.85	\$54.00	\$44.70	\$7.20	\$7.13
2011	\$45.00	0.85	\$52.25	\$43.12	\$6.90	\$6.83
2012	\$45.00	0.85	\$52.25	\$42.98	\$6.90	\$6.84
2013	\$46.00	0.85	\$53.25	\$43.73	\$7.05	\$7.00
2014	\$46.75	0.85	\$54.25	\$44.53	\$7.20	\$7.17
2015	\$47.75	0.85	\$55.50	\$45.58	\$7.40	\$7.37
2016	\$48.75	0.85	\$56.50	\$46.78	\$7.55	\$7.49

Annual escalation thereafter +2.0%/yr.

3. Asset retirement obligations:

Total future asset retirement obligations were determined by management and were 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 estimated the net present value of its total asset retirement obligation as at December 31, 2005 to be \$7,182,000 (2004 - \$4,984,000) based on a total future liability of \$13,414,000 (2004 - \$9,810,000). These payments are expected to be made over the next 40 years. An 8% (2004 - 8%) credit adjusted risk free discount rate and 2% (2004 - 2%) inflation rate were used to calculate the present value of the asset retirement obligation.

The following table reconciles Crew's asset retirement obligations:

	2005	2004
Carrying amount, beginning of year	\$ 4,984	\$ 3,896
Liabilities incurred	1,581	1,228
Accretion expense	474	390
Change in estimate	242	(458)
Liabilities settled	(99)	(72)
Carrying amount, end of year	<u>\$7,182</u>	<u>\$ 4,984</u>

4. Bank facility:

Crew has a \$90 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 oil and gas assets.

Cash interest expense paid during the year ended December 31, 2005 totalled \$238,000 (2004 - nil).

5. Share capital:

(a) Authorized:

Unlimited number of Common Shares
 1,881,000 Class C non-voting performance shares ("performance shares")

(b) Common Shares issued:

	Number of shares	Amount
Common Shares, December 31, 2003	22,981	\$ 30,505
Private placement issued for cash	3,000	16,050
Flow-through shares issued for cash	800	8,800
Exercise of Class C, performance shares	9	6
Buy-back of Common Shares	(9)	(74)
Share issue costs, net of tax of \$497		(924)
Common Shares, December 31, 2004	26,781	54,363
Public offering issued for cash	1,374	25,005
Flow-through shares issued for cash	417	10,001
Exercise of warrants	3,635	5,998
Exercise of Class C, performance shares	981	11
Exercise of stock options	98	590
Buy-back of Common Shares	(4)	(8)
Stock-based compensation		963
Share issue costs, net of tax of \$661		(1,279)
Flow through shares tax adjustment		(2,999)
Common Shares, December 31, 2005	<u>33,282</u>	<u>\$ 92,645</u>

5. Share capital (continued):

On May 13, 2004, the Company completed a bought-deal private placement of 3,000,000 Common Shares at a price of \$5.35 per share for gross proceeds of \$16,050,000.

On December 2, 2004, the Company completed a bought-deal private placement of 800,000 flow-through Common Shares at \$11.00 per shares for gross proceeds of \$8,800,000. Under the terms of the sale of the flow-through shares the Company committed to renounce to the purchasers of the flow-through shares certain Canadian tax deductions totalling \$8,800,000. At December 31, 2005, the Company had incurred and renounced all expenditures required under this flow-through offering.

On December 20, 2005, the Company closed a public offering in which 1,790,600 shares were issued for gross proceeds of \$35,006,000. Of the shares issued, 416,700 shares were issued on a flow-through basis in which the Company has committed to renounce to the purchasers certain Canadian tax deductions totalling \$10,000,800. At December 31, 2005, the Company had not incurred any qualifying expenditures required under the terms of this flow-through offering.

(c) Contributed Surplus:

	Amount
Contributed surplus, December 31, 2003	\$ 146
Stock-based compensation	547
Conversion of Class C performance shares	(6)
Contributed surplus, December 31, 2004	687
Stock-based compensation	1,996
Conversion of Class C performance shares and stock options	(963)
Buy-back of Common Shares	(33)
Contributed surplus, December 31, 2005	\$ 1,687

(d) 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 weighted average assumptions: risk free interest rate 3.22% (2004 – 4.50%), expected life 4 years (2004 – 4 years), volatility 45% (2004 – 45%), and an expected dividend of nil (2004 – nil).

During 2005 the Company recorded \$1,996,000, (2004 - \$547,000) of compensation expense related to the performance shares and stock options, of which \$998,000 (2004 - \$273,000) was capitalized in accordance with the Company's full cost accounting policy.

(i) Performance shares

On September 1, 2003 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 Shares and dividing the result by the current market price of the Company's Common Shares. The fair value of the performance shares at the date of issue, as calculated by the Black-Scholes method, was \$0.67 per share.

5. Share capital (continued):

	Number of shares	Amount
Class C, performance shares, December 31, 2003	1,881	\$ 19
Converted to Common Shares	(12)	-
Class C, performance shares, December 31, 2004	1,869	19
Converted to Common Shares	(1,082)	(11)
Class C, performance shares, December 31, 2005	787	\$ 8

(ii) Stock options

The Company has a floating stock option plan in which the Company may grant options to its employees, directors and consultants for up to 10% of its outstanding 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. The fair value of the stock options granted during the year as calculated by the Black-Scholes method was \$6.74 (2004 - \$2.79) per option.

	Number of options	Weighted average exercise price
Balance, December 31, 2003	156	\$ 3.70
Granted	328	6.84
Cancelled	(120)	3.75
Balance December 31, 2004	364	6.51
Granted	1,672	16.63
Exercised	(98)	6.02
Cancelled	(90)	7.25
Balance December 31, 2005	1,848	\$ 15.65

The following table summarizes information about the stock options outstanding at December 31, 2005:

	Outstanding at December 31, 2005	Weighted average remaining life (years)	Weighted average exercise price	Exercisable at December 31, 2005	Weighted average exercise price
\$3.50 to \$6.50	80	2.45	\$5.22	3	\$3.60
\$6.50 to \$9.50	132	2.89	\$7.66	2	\$7.44
\$9.50 to \$12.50	90	3.34	\$10.43	-	-
\$12.50 to \$15.50	216	3.48	\$13.93	-	-
\$15.50 to \$18.75	1,330	3.41	\$17.71	-	-
	1,848	3.34	\$15.65	5	\$5.14

(iii) Warrants

As at December 31, 2005 all of the outstanding warrants entitling the holders to acquire one Common Share of the Company had been converted to Common Shares. The conversion of these warrants resulted in 3,635,000 Common Shares being issued for proceeds of \$5,998,000.

(e) Per share amounts:

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the year ended December 31, 2005 was 28,196,000 (December 31, 2004 – 24,946,000).

In computing diluted earnings per share for the year ended December 31, 2005, 3,760,000 (December 31, 2004 – 3,729,000) shares were added to the weighted average number of Common Shares outstanding for the dilution added by the warrants, performance shares and stock options.

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:

	2005	2004
Earnings before income taxes	\$ 38,961	\$ 14,194
Combined federal and provincial tax rate	37.65%	38.73%
Computed "expected" income tax expense	\$ 14,669	\$ 5,497
Increase (decrease) in income taxes resulting from:		
Non-deductible crown charges	2,033	2,044
Resource allowance	(2,388)	(1,794)
Non-taxable provincial royalty credits	(117)	(139)
Attributed Canadian royalty income	-	(124)
Stock-based compensation	752	213
Benefits relating to change in income tax rates	(857)	(307)
Other	72	(177)
Future income taxes	14,164	5,213
Current taxes	156	33
Income taxes	\$ 14,320	\$ 5,246

Cash taxes paid during the year were \$34,000.

(b) Future income tax:

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

	2005	2004
Future income tax:		
Property, plant and equipment	\$ 22,774	\$ 4,868
Asset retirement obligation	(2,434)	(1,668)
Share issue costs	(821)	(401)
Non-capital loss	(225)	-
Other	(117)	(124)
Future income tax liability	\$ 19,177	\$ 2,675

The non-capital loss expires in 2011.

7. Commitments:

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

	Total	Less than 1 year	1 to 3 years
Operating lease	511	437	74
Firm transportation agreements	214	153	61
Exploration and development	10,000	10,000	-
Facility and reserve acquisition	11,200	11,200	-
	<u>21,925</u>	<u>21,790</u>	<u>135</u>

The exploration and development commitment related to the Company's obligation under its 2005 flow-through share issue. (see note 5(b))

The facility and reserve acquisition relates to a commitment made in December 2005 to acquire a working interest in a natural gas processing facility and related reserves in the Edson, Alberta area. This acquisition subsequently closed in early 2006.

8. Financial instruments:

(a) Commodity price risk management:

At December 31, 2005, the Company had no fixed price contracts or financial instruments associated with future production.

(b) Credit Risk

Crew's accounts receivable are with customers and joint venture partners in the petroleum and natural gas business and are subject to normal credit risks. Concentration of credit risk is mitigated by marketing production to several purchasers under normal industry sale and payment terms. Crew routinely assesses the financial strength of its customers.

(c) Fair value of financial instruments

The fair values of the financial instruments on the Company's balance sheet approximate their carrying values due to their short term to maturity.