



**CREW ENERGY ISSUES 2012 FIRST QUARTER FINANCIAL AND OPERATING RESULTS,  
UPDATES 2012 GUIDANCE AND INITIATES NORMAL COURSE ISSUER BID  
CALGARY, ALBERTA – MAY 10, 2012**

Crew Energy Inc. (TSX-CR) of Calgary, Alberta is pleased to present its operating and financial results for the three month period ended March 31, 2012.

**Highlights**

- Funds from operations increased 99% over the first quarter of 2011 to \$48.1 million;
- Funds from operations per share increased 38% to \$0.40 per share;
- Record first quarter production for the Company of 30,380 boe per day represents a 95% increase over the first quarter of 2011 and a slight increase over the fourth quarter of 2011;
- Production per share increased 35% over the first quarter of 2011;
- Oil and liquids production improved significantly to 16,037 bbls per day (53% of production), increasing from 6,923 bbls per day (44% of production) in the first quarter of 2011, representing a 132% increase and a 57% increase on a per share basis;
- Since deploying its liquids focus strategy in 2007, Crew has increased its liquids production by 970% (315% per share);
- Crew drilled 60 wells in the quarter with a 97% success rate;
- Four first quarter wells were on production at the end of the quarter at Princess with two vertical wells on production at seven day test rates of 375 and 133 boe per day and two horizontal wells on production at 348 and 640 boe per day after seven days;
- Three Montney liquids rich gas wells were completed at Septimus and came on production at rates of 776, 693 and 588 boe per day;
- The latest Tower oil well flowed at an average gross rate of 500 boe per day (375 bbls per day oil and liquids and 0.75 mmcf per day of natural gas);
- Completed the annual renewal of the Company's credit facility receiving approval for a \$430 million credit facility.

<b>Financial</b> (\$ thousands, except per share amounts)	<b>Three months ended March 31, 2012</b>	Three months ended March 31, 2011
<b>Petroleum and natural gas sales</b>	<b>123,075</b>	61,148
<b>Funds from operations</b> (note 1)	<b>48,057</b>	24,111
Per share - basic	<b>0.40</b>	0.29
- diluted	<b>0.40</b>	0.29
<b>Net loss</b>	<b>(6,430)</b>	(10,126)
Per share - basic	<b>(0.05)</b>	(0.12)
- diluted	<b>(0.05)</b>	(0.12)
<b>Capital expenditures</b>	<b>128,743</b>	75,165
<b>Property acquisitions</b> (net of dispositions)	-	361
<b>Net capital expenditures</b>	<b>128,743</b>	75,526
<b>Capital Structure</b> (\$ thousands)	<b>As at March 31, 2012</b>	As at December 31, 2011
Working capital deficiency (note 2)	<b>78,424</b>	92,452
Bank loan	<b>320,153</b>	230,676
<b>Net debt</b>	<b>398,577</b>	323,128
<b>Current bank facility</b>	<b>430,000</b>	430,000
<b>Common Shares Outstanding</b> (thousands)	<b>120,760</b>	119,993

Notes:

- (1) Funds from operations is calculated as cash provided by operating activities, adding the change in non-cash working capital, decommissioning obligation expenditures and the transportation liability charge. Funds from operations is used to analyze the Company's operating performance and leverage. Funds from operations does not have a standardized measure prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures for other companies.
- (2) Working capital deficiency includes only accounts receivable less accounts payable and accrued liabilities.

<b>Operations</b>	<b>Three months ended March 31, 2012</b>	<b>Three months ended March 31, 2011</b>
<b>Daily production</b>		
Conventional oil (bbl/d)	<b>6,770</b>	5,794
Heavy oil (bbl/d)	<b>6,162</b>	-
Natural gas liquids (bbl/d)	<b>3,105</b>	1,129
Natural gas (mcf/d)	<b>86,056</b>	52,109
Oil equivalent (boe/d @ 6:1)	<b>30,380</b>	15,608
<b>Average prices</b> (note 1)		
Conventional oil (\$/bbl)	<b>81.10</b>	69.68
Heavy oil (\$/bbl)	<b>71.04</b>	-
Natural gas liquids (\$/bbl)	<b>53.05</b>	59.71
Natural gas (\$/mcf)	<b>2.34</b>	4.00
Oil equivalent (\$/boe)	<b>44.52</b>	43.53
<b>Netback</b> (\$/boe)		
Operating netback (note 2)	<b>20.35</b>	20.20
Realized gain on financial instruments	-	(0.01)
G&A	<b>1.91</b>	1.98
Interest on bank debt	<b>1.06</b>	1.06
Funds from operations	<b>17.38</b>	17.17
<b>Drilling Activity</b>		
Gross wells	<b>60</b>	40
Working interest wells	<b>57.8</b>	39.3
Success rate, net wells	<b>97%</b>	100%

Notes:

- (1) Average prices are before deduction of transportation costs and do not include hedging gains and losses.  
 (2) Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts less royalties, operating costs and transportation costs calculated on a boe basis. Operating netback and funds from operations netback do not have a standardized measure prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures for other companies.

**Overview**

Operations for the first quarter of 2011 included the drilling of 60 (57.8 net) wells resulting in 46 (45.0 net) oil wells, 11 (9.8 net) natural gas wells, one (1.0 net) service well and two (2.0 net) dry and abandoned wells. Of the wells drilled, 24 were brought on production during the quarter. Drilling during the quarter was highlighted by 29 (29.0 net) wells at Princess, Alberta. The Company is currently completing and tying in these new wells and has been very pleased with the success of the vertical wells extending existing pool boundaries and identifying new pools at a cost of approximately \$25,000 per producing boe. At Lloydminster, Saskatchewan, the Company drilled 18 (17.8 net) wells adding an estimated 760 boe per day of new production at a cost of \$15,000 per producing boe. Due to the low natural gas price environment, gas well drilling was focused on providing production to meet processing commitments and to achieve land retention in Crew's main liquids rich gas areas at Septimus, British Columbia and in the Deep Basin of Alberta. During the quarter, the Company drilled five (5.0 net) wells at Septimus and currently plans to only complete three of these wells due to the low natural gas price environment. Additional gas drilling was conducted at Wapiti, in the Deep Basin, where the Company drilled five (4.6 net) wells and has since completed four wells resulting in successful gas wells adding average new production at a facility restricted rate of 494 boe per day per well, including 173 bbl per day per well of liquids.

Production during the quarter averaged 30,380 boe per day (53% liquids), slightly above the fourth quarter of 2011 and 95% greater than the first quarter of 2011. Production additions for the quarter were provided by the successful drilling programs at Princess, Lloydminster, Septimus and in the Deep Basin which helped to offset declines and 6.3 mmcf per day of Alberta dry natural gas production that was shut in during the quarter due to the poor natural gas pricing environment.

**Financial**

The first quarter saw a dramatic change in Crew's commodity pricing compared to the fourth quarter of 2011. During the quarter, prices received for the Company's natural gas production dropped 32% to average \$2.34 per mcf for the quarter. Prices continued to fall throughout the quarter and sunk to a low of \$1.60 per mcf early in the second quarter. This decrease has had a significant impact on the Company's funds from operations and has resulted in the

shut-in of 6.3 mmcf per day of uneconomic dry sour gas production and the planned shut-in of an additional 4.5 mmcf per day in the second quarter which, when combined, represents approximately 12.5% of the Company's natural gas production. The shut-in of this gas is expected to add approximately \$600,000 per month in funds from operations.

The Company's conventional and heavy oil prices were also volatile in the first quarter experiencing a 6% and 8% respective decline over the previous quarter. This decrease occurred unexpectedly in late February when the entire Canadian crude pricing complex declined by as much as \$20 per barrel over a seven day period. This decline was attributed to a combined shortage of pipeline capacity and refinery demand out of the United States. The decrease in Canadian pricing continued throughout the remainder of February through to May. We are currently seeing improvement for the coming months but it is uncertain if the situation is completely resolved and there remains a possibility that we could see further weakening.

The Company's capital expenditures for 2012 were planned to be heavily weighted to the first quarter. During the quarter the Company spent \$129 million on its capital program including \$90 million on drilling and completions, as outlined above, and \$22 million on facilities, equipment and tie-ins. The program was designed to provide production growth throughout the second quarter and into the early third quarter while the Company's operations were shut down during break-up. During the quarter, the Company acquired a strategic pipeline in the Septimus area for \$8.1 million. This asset allows access to the Company's liquids rich natural gas production from the northwest portion of the Company's Septimus Montney gas field and also provides a short tie-in point for solution gas from the Company's emerging Tower oil play.

At quarter end, Crew's net debt increased to \$399 million compared to the Company's newly approved \$430 million bank facility. This debt level is projected to be the Company's peak reported debt level during the year as planned net capital spending for the remainder of the year is forecasted to bring year-end 2012 net debt back to approximately \$350 million not including any dispositions.

The Company continues to actively protect its cash flow by hedging a portion of its future production against volatile commodity prices. Crew currently has hedged approximately 23.3 mmcf day of natural gas for the period of May through December 2012 at a price of approximately \$2.00 per mcf. The Company also holds hedges against a significant decline in oil prices with an average of 6,600 barrels per day of West Texas Intermediate ("WTI") oil hedged at an average floor price of \$94.25 per barrel for the period April through December 2012 and 2,000 barrels per day of WTI oil hedged at an average floor price of \$102.25 per barrel for 2013. In addition, the Company currently holds hedges that fix the differential between WTI and Western Canadian Select ("WCS") pricing on an average of 2,000 barrels a day at a differential of \$15.63 per barrel. During the first quarter, the Company successfully monetized certain 2012 WTI to WCS differential hedges resulting in realized hedging gains of \$3.7 million.

## **OPERATIONS UPDATE**

### **Pekisko Play, Princess, Alberta**

Crew had a successful first quarter at Princess drilling 29 wells including 19 vertical wells and 10 horizontal wells. The Company's first quarter program focused on development of existing pools with the most appropriate technology and the drilling of two vertical wells that extended existing pool boundaries. One of the vertical wells tested at 296 boe per day and the second recently came on production with a seven day average rate of 375 boe per day. Four vertical wells were drilled beyond existing pool boundaries discovering new oil pools. One has come on production at an average seven day rate of 133 boe per day and the other three are in the process of being completed and brought on production. Two horizontal wells were brought on production subsequent to the end of the first quarter with seven day rates of 348 boe per day and 640 boe per day. First quarter production at Princess has been added at a cost of \$25,000 per producing boe.

### **PRINCESS WATERFLOOD**

Progress was made on infrastructure installation including Crew's 2012 waterflood implementation program where it is expected that all five approved waterfloods will be in operation by early in the third quarter. Two existing waterfloods (Pekisko "K" and "N" pools) continue to respond well with oil production rates increasing 50% and 35%, respectively, from pre-waterflood conditions with gas-oil ratios down 50% in both pools. Response on the "N" Pool has been very rapid with injection initiated less than ten months ago. Crew plans to implement six additional waterfloods in 2013.

### **HISTORY**

Crew acquired the Princess asset in August 2008 which was producing approximately 2,000 boe per day at the time primarily from the West Tide Lake area. The Company recognized the significant hydrocarbon potential of the Pekisko formation on this large land base (300,000 net acres as at December 31, 2011 with only 13% classified as developed) and the potential to apply horizontal well technology to further enhance productivity. In September of

2008, Crew's first horizontal well was flowing at a rate of 633 bbls of oil per day and the impact of infill drilling with horizontal wells was confirmed. The first horizontal development program was at West Tide Lake which had previously been developed with 40 acre spacing using vertical wells. The vertical well control allowed Crew to map the distribution of the productive reservoir so that a horizontal depletion strategy could be undertaken. The Company then drilled 26 net wells (50% horizontal) in 2009 resulting in 22 net oil producing wells. This program yielded production growth to 5,238 boe per day in December 2009 which declined to 3,382 boe per day (35% decline) in April 2010 due to the initial decline rates typically experienced on horizontal wells (60% to 65% decline in the first year). In 2010, the Company drilled 62 net wells (54% horizontal) resulting in 54 oil wells. Production peaked at 8,000 boe per day during the month of December 2010 before declining to 4,948 boe per day (38% decline) in July 2011. At the time, Crew also recognized that secondary recovery would become critical to provide a growth platform for the future and started injection into the Pekisko "K" pool.

In 2011, Crew drilled 119 net wells (54% horizontal) resulting in 104 net oil wells (64 horizontal wells) and grew production to over 10,000 boe per day during the month of December 2011. The Company expanded transportation and processing infrastructure to handle increasing fluid production associated with the extensive drilling program and initiated the Company's second waterflood in the Pekisko "N" pool.

Consistent with the Princess production profile of the previous three years, production declined from 10,400 boe per day in December to current levels of 7,000 boe per day (33% decline). There is currently approximately 550 boe per day shut-in from single wells batteries due to spring breakup and only ten new wells from the first quarter drilling program are currently on production. Infrastructure expansion has been successful in allowing Crew to optimize production from a number of pools while some areas continue to encounter gathering system limitations particularly when a prolific well is introduced into the pipeline system. As the production from individual wells stabilizes within an area, the Company can better assess if any further facility enhancements are required.

Crew has historically used both vertical and horizontal wells to exploit and develop the Pekisko formation at Princess. The vertical wells are very effective tools to initially evaluate and delineate new pools providing significant data about the vertical distribution and quality of the reservoir. In cases where enhanced permeability is encountered as evidenced by high production rates (in excess of 100 boe per day per well), vertical wells are an economic means of developing these types of pools. If the permeability is more restricted resulting in lower production rates from the initial vertical wells (less than 40 boe per day per well), horizontal wells would be used to develop the pool. The economics of primary pool development are similar for the two methods described above as individual vertical or horizontal wells achieve an economic rate of return between 140% and 145% based on the average type wells currently booked by GLJ Petroleum Consultants ("GLJ") (135 mboe per horizontal well and 64 mboe per vertical well) and the April 1, 2012 GLJ price deck. In all cases, consideration of future secondary waterflood is also a factor in the selection and implementation of the most appropriate reservoir drainage architecture.

### **Heavy Oil, Lloydminster, Saskatchewan**

At Lloydminster, Crew drilled 18 (17.8 net) wells and recompleted 20 (19.3 net) wells targeting oil in various Mannville group formations. The first quarter program added 760 boe per day of production for total capital expenditures of \$11.5 million resulting in a capital efficiency of \$15,000 per producing barrel of oil equivalent. This area continues to provide the Company with robust economics and will be a focus for drilling for the remainder of 2012. Crew was active at Crown land sales increasing its land position in the first quarter and expects to continue this level of activity through 2012. The Company has identified a number of reservoirs at Lloydminster that are excellent candidates for horizontal drilling with secondary recovery potential. With preferential access to the Manitou pipeline system and its wholly owned battery, water disposal and sand handling facility, Crew is in the position to expand its heavy oil program over the next 18 months.

### **Tower, British Columbia**

Crew's second well at Tower was rig released and completed early in the second quarter with a horizontal section of 1,067 meters. The well was tested up 114 mm casing and after 12 days of testing was producing at a rate of 500 boe per day consisting of 375 bbls per day of 46 API oil and liquids and 0.75 mmcf per day of natural gas. The well is tied-in to the Septimus gas plant and will be able to be continuously produced following the initial test period. Crew's initial well at Tower with a horizontal section of 1,835 meters tested at 610 boe per day (342 bbls of oil and liquids and 1.7 mmcf per day of natural gas) and is awaiting surface land approval to be tied-in. Crew has a 33% working interest in both of these wells with the second well drilled adjacent to Crew's 100% working interest lands. Crew is preparing several multi-well pads to advance this project as dictated by production results. In addition to the significant oil test rates, the solution gas is richer than the gas stream at Septimus and is expected to yield approximately 63 bbls per mmcf which is 2.5 times greater than the liquids recovery at Septimus.

Crew has 30 net sections of Montney land at Tower including 27 sections with 100 percent working interest. The Company has modelled a depletion strategy that would require six to eight wells to be drilled per section. Crew is

proceeding with necessary approvals to drill up to eight (6.0 net) additional wells at Tower and will assess timing based on well performance, capital availability and economic factors.

### **Septimus, British Columbia**

At Septimus, Crew drilled four Montney horizontal wells and one vertical well. Three horizontal wells were completed in the quarter (one that was drilled in 2011) with two of the wells on production at initial rates of 776 boe per day and 693 boe per day (15% liquids) based on the initial ten days of production. The third well came on production at 588 boe per day (11% liquids) from a lower stratigraphic Montney interval that had not been previously tested. The test confirmed productivity from this lower unit and would indicate additional horizontal wells could be drilled to develop this interval of the Montney.

Crew successfully completed the acquisition of a 35.1 kilometer six inch pipeline extending through Crew's Septimus and Tower land base. Acquisition of this pipeline will allow Crew to ultimately develop lands on the far western edge of the Septimus area. In addition, Crew can immediately increase production from producing Septimus wells by providing additional pipeline capacity and reduced operating pressures into the Septimus gas plant. The pipeline provides a tie-in point for production from Tower wells directly to the Septimus gas plant.

Crew has two horizontal wells to complete and does not have any plans for any additional drilling at Septimus for the remainder of 2012 pending a recovery in natural gas prices.

### **Kobes, British Columbia**

Crew continues to flow test its two horizontal wells at Kobes testing the long-term production characteristics of the Montney in this area. Liquids rates from the wells are averaging 88 bbls per mmcf per day (33% condensate). The Company has an inventory of over 200 drilling locations on this block and continues to work toward long-term processing and takeaway capacity in the area.

### **Deep Basin, Alberta**

In the Deep Basin of Alberta, Crew drilled seven (5.9 net) liquids rich natural gas wells in the first quarter. The Company also expanded a facility adding compression in the Elsworth area. Four Cardium horizontal wells were drilled and completed with better than expected performance resulting in restricted rates of an average of 494 boe per day per well including 173 bbls per day per well of liquids (90 bbls/mmcf). One vertical well was drilled at Wanyandie and a horizontal well was drilled at Wapiti for lease retention as well as one horizontal Fahler well which is awaiting completion. Crew has an inventory of 185 Cardium drilling locations in the greater Wapiti area, the value of which will be preserved until the economics of this play compete with the Company's oil plays.

### **2012 Guidance**

Crew previously announced the 2012 capital expenditure program of \$300 million on January 11, 2012 using the natural gas strip price at the time of \$3.25 per mcf, \$95 WTI and a 17% WTI to WCS differential for 2012. Realized commodity prices have declined precipitously with current natural gas prices now 25% lower than first quarter realized prices. Differentials between WTI pricing and WCS and Lloyd blend heavy oil widened significantly in the first quarter and continue to be volatile as a result of tightening pipeline and refining capacity in the United States. In light of reduced cash flow from these factors, Crew is reducing its 2012 capital expenditure budget by \$75 million to \$225 million. This will enable the Company to continue to grow its production year over year, increase its liquid weighting and maintain a strong balance sheet. The funding of this program will be from funds from operations, asset dispositions and the existing bank facility.

Crew has shut-in 6.3 mmcf per day of dry gas production and intends to shut-in an additional 4.5 mmcf per day (1,800 boe per day combined) of natural gas production in the second quarter which is expected to add approximately \$600,000 per month in funds from operations. In addition, a third party facility at Elsworth, Alberta is going down for an unplanned turnaround which will result in approximately 2,000 boe per day being shut in for the month of May. With the \$75 million (25%) reduction in capital expenditures, 2,500 boe per day of behind pipe of natural gas weighted production that has been deferred and 1,800 boe per day of shut-in production, Crew is forecasting to average approximately 28,000 to 29,000 boe per day in 2012 representing a 14% (5% without shut-in and deferred production) reduction in the Company's previous guidance. Despite the revised program, the Company is expected to deliver a 25% increase in production or 8% on a per share basis over 2011, positioning the Company to continue to grow its production into 2013.

### **Outlook**

When Crew was founded in 2003, the business strategy was to expose our shareholders to large oil and gas in place reservoirs and to grow per share production and reserves. The Company has established a sizeable land position of just under one million net acres focusing on four plays that offer our shareholders exposure to large accumulations of

oil and liquids rich natural gas. Crew has a history of profitable growth with compounded annual growth per share in production and reserves of 13% and 28%, respectively. In 2007, Crew anticipated the growth of unconventional natural gas was going to have a profound impact on the supply-demand balance of natural gas. At that time, the Company committed to increase its liquids component of production which was 1,500 bbls per day or 17% of total production of 8,700 boe per day. The liquids component in the first quarter 2012 increased to 53% of total production and has grown to over 16,000 bbls per day increasing 970% (315% per share) over 2007. The strategy remains intact with the focus in the current commodity price environment to prioritize and invest in the highest return and the most capital efficient projects while retaining the upside for our shareholders on a significant resource of natural gas and natural gas liquids.

Crew will focus on oil development at Princess and Lloydminster and the testing of the emerging oil play at Tower. First quarter drilling results were strong with the Company discovering several new pools and successfully advancing secondary recovery programs at Princess as well as adding production at attractive flowing barrel metrics in all areas of operation. This program also addressed land retention at Septimus and the Deep Basin that will allow the Company to retain its resources in these areas. Crew will maintain its capital discipline by curtailing 2012 capital projects to preserve balance sheet strength while maintaining its long-term growth profile.

We would like to thank our shareholders for their patience and support in this environment. We are confident in the quality of our assets and the ability of our team to continue to build a top tier energy company. We look forward to updating our shareholders in the second quarter report.

#### **Normal Course Issuer Bid**

The Toronto Stock Exchange ("TSX") has accepted Crew's Notice of Intention to commence a normal course issuer bid (the "NCIB"). Under the NCIB, Crew may purchase for cancellation, from time to time, as Crew considers advisable, up to a maximum of 6,038,492 common shares of the Corporation ("Common Shares"), which represents 5% of the currently issued and outstanding Common Shares. Purchases of Common Shares will be made on the open market through the facilities of the TSX. The price which Crew will pay for any Common Shares purchased by it will be the prevailing market price of the Common Shares on the TSX at the time of such purchase. The actual number of Common Shares that may be purchased for cancellation and the timing of any such purchases will be determined by Crew, subject to a maximum daily purchase limitation of 261,920 Common Shares which equates to 25% of Crew's average daily trading volume for the six months ended April 30, 2012.

The NCIB will commence on May 14, 2012 and will terminate on May 13, 2013 or such earlier time as the NCIB is completed or terminated at the option of Crew. Macquarie Capital Markets Canada Ltd. will act on the Corporation's behalf to make purchases of Common Shares pursuant to the NCIB.

Management of Crew believes that, from time to time, the market price of its Common Shares may not fully reflect the underlying value of the Common Shares and that at such times the purchase of Common Shares would be in the best interests of Crew. Such purchases will increase the proportionate interest of, and may be advantageous to, all remaining shareholders.

Financial statements and Management's Discussion and Analysis for the three month periods ended March 31, 2012 and 2011 will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) and are available on the Company's website at [www.crewenergy.com](http://www.crewenergy.com).

## **Cautionary Statements**

### **Forward-looking information and statements**

*This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: the volume and product mix of Crew's oil and gas production; production estimates including 2012 forecast average production; plans to shut-in production; future oil and natural gas prices and Crew's commodity risk management programs; future liquidity and financial capacity; projected debt levels; future results from operations and operating metrics; management's expectations in regards to waterfloods at Princess; anticipated reductions in operating costs; future costs, expenses and royalty rates; future interest costs; the exchange rate between the \$US and \$Cdn; future development, exploration, acquisition and development activities and related capital expenditures and the timing thereof; the number of wells to be drilled, completed and tied-in and the timing thereof; the number of potential drilling locations; the amount and timing of capital projects; operating costs; the total future capital associated with development of reserves and resources; and methods of funding our capital program.*

*Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Crew which have been used to develop such statements and information but which may prove to be incorrect. Although Crew believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Crew can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Crew operates; the timely receipt of any required regulatory approvals; the ability of Crew to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Crew has an interest in to operate the field in a safe, efficient and effective manner; the ability of Crew to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Crew to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Crew operates; the ability of Crew to successfully market its oil and natural gas products. Included herein is an estimate of Crew's year-end net debt based on assumptions as to cash flow, capital spending in 2012 and the other assumptions utilized in arriving at Crew's 2012 capital budget. To the extent such estimate constitutes a financial outlook, it is included herein to provide readers with an understanding of estimated capital expenditures and the effect thereof on debt levels and readers are cautioned that the information may not be appropriate for other purposes.*

*The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Crew's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Crew or by third party operators of Crew's properties, increased debt levels or debt service requirements; inaccurate estimation of Crew's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Crew's public disclosure documents (including, without limitation, those risks identified in this news release and Crew's Annual Information Form).*

*The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Crew does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

### **BOE equivalent**

*Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.*

### **Test Results and Initial Production Rates**

*A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production rates disclosed herein may not necessarily be indicative of long term performance or of ultimate recovery.*

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

Financial statements and Management's Discussion and Analysis for the three month periods ended March 31, 2012 and 2011 will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) and are available on the Company's website at [www.crewenergy.com](http://www.crewenergy.com).

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