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**CREW ENERGY INC.**

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**NOTICE OF ANNUAL AND SPECIAL MEETING  
and  
INFORMATION CIRCULAR – PROXY STATEMENT**

**WITH RESPECT TO THE  
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 22, 2008**

**CREW ENERGY INC.**

**Notice of Annual and Special Meeting of Shareholders  
to be held May 22, 2008**

**TO: THE SHAREHOLDERS OF CREW ENERGY INC.**

TAKE NOTICE that the Annual and Special Meeting (the "Meeting") of the shareholders of Crew Energy Inc. (the "Corporation") will be held in the Angus Northcote room, + 30 level, Bow Valley Square, 255 – 5th Ave. S.W., Calgary, Alberta on Thursday, the 22<sup>nd</sup> day of May, 2008 at 3:00 p.m. (Calgary time) for the following purposes:

1. To receive and consider the financial statements of the Corporation for the year ended December 31, 2007, the auditors' report thereon and the report of the Board of Directors;
2. To fix the number of directors to be elected at the Meeting at six;
3. To elect six directors;
4. To appoint the auditors and to authorize the directors to fix their remuneration as such;
5. To approve all unallocated options under the Corporation's share option plan;
6. To ratify, approve and confirm certain amendments to the Corporation's share option plan; and
7. To transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice.

**Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Secretary of the Corporation, c/o Valiant Trust Company, 310, 606 - 4th Street SW, Calgary, AB., T2P 1T1, Facsimile (403) 233-2857. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.**

**Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.**

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on April 14, 2008 (the "Record Date"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta, this 24<sup>th</sup> day of April, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Dale O. Shwed"  
President and Chief Executive Officer

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## CREW ENERGY INC.

### INFORMATION CIRCULAR – PROXY STATEMENT

#### FOR THE ANNUAL AND SPECIAL MEETING TO BE HELD ON MAY 22, 2008

#### SOLICITATION OF PROXIES

**This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of CREW ENERGY INC.** (the "Corporation" or "Crew") for use at the Annual and Special Meeting of the shareholders of the Corporation (the "Meeting") to be held on the 22<sup>nd</sup> day of May, 2008 at 3:00 p.m. (Calgary time) in the Angus Northcote room, + 30 level Bow, Valley Square, 255 – 5th Ave. S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual Meeting. Instruments of Proxy must be received by the Secretary of the Corporation c/o Valiant Trust Company, 310, 606 - 4th Street SW, Calgary, AB., T2P 1T1, Facsimile (403) 233-2857, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The board of directors of the Corporation (the "Board") has fixed the record date for the Meeting at the close of business on April 14, 2008 (the "Record Date"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed form of proxy are directors and officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than the persons designated in the proxy, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.**

#### BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders of common shares ("Common Shares") of the Corporation who do not hold their Common Shares in their own name ("Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. formerly ADP Investor Communications ("Broadridge"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting

request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

Although a Beneficial Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Holder may attend at the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

### **REVOCABILITY OF PROXY**

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

### **PERSONS MAKING THE SOLICITATION**

**The solicitation is made on behalf of the management of the Corporation.** The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual Meeting and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor.

### **EXERCISE OF DISCRETION BY PROXY**

The shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made.

**In the absence of such specification, the shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the instrument of proxy and Notice of Annual and Special Meeting. At the time of printing this Information Circular - Proxy Statement, management of the Corporation knows of no such amendment, variation or other matter.**

## MATTERS TO BE ACTED UPON AT THE MEETING

### Election of Directors

At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at six members and to elect six directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently six directors of the Corporation, each of whom retire from office at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at six members and in favour of the election as directors of the six nominees hereinafter set forth:

|                 |                   |
|-----------------|-------------------|
| John A. Brussa  | Gary J. Drummond  |
| Fred C. Coles   | Dennis L. Nerland |
| John A. Thomson | Dale O. Shwed     |

The names and municipalities of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, the offices held by each in the Corporation, the period served as director and the principal occupation of each are set forth below. The information as to shares beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of April 14, 2008.

| Name and Municipality of Residence                                       | Position | Director Since  | Principal Occupation During the Last Five Years   | Number of Common Shares Owned or Controlled or Directed, Directly or Indirectly |
|--|----------|-----------------|---|---|
| John A. Brussa <sup>(2)(3)(4)(7)</sup><br>Calgary, Alberta<br>Age: 51    | Chairman | September, 2003 | Partner, Burnet, Duckworth & Palmer LLP (a law firm).   | 362,158   |
| Fred C. Coles <sup>(1)(2)(4)</sup><br>Calgary, Alberta<br>Age: 64        | Director | September, 2003 | Independent businessman since April 1, 2002; prior thereto, Executive Chairman of Applied Terravision Systems Ltd.  | 139,394   |
| Gary J. Drummond <sup>(8)</sup><br>Nassau, Bahamas<br>Age: 57            | Director | September, 2003 | Independent businessman since January 1, 2003; prior thereto, President of Direct Energy Marketing, a subsidiary of Centrica PLC.   | 404,019   |
| Dennis L. Nerland <sup>(1)(3)(4)(9)</sup><br>Calgary, Alberta<br>Age: 55 | Director | September, 2003 | Partner, Shea Nerland Calnan (a law firm).  | 244,795   |
| John A. Thomson <sup>(1)(2)(3)</sup><br>Calgary, Alberta<br>Age: 58      | Director | September, 2006 | Independent businessman since 2001; prior thereto Vice President of Avid Oil & Gas Ltd. from 2000 and as Director of the same from 1999; prior thereto Senior Vice President and Chief Financial Officer of Renaissance Energy Ltd. | 13,500  |

| Name and Municipality of Residence                          | Position  | Director Since | Principal Occupation During the Last Five Years  | Number of Common Shares Owned or Controlled or Directed, Directly or Indirectly |
|---|---|----------------|--|---|
| Dale O. Shwed <sup>(6)</sup><br>Calgary, Alberta<br>Age: 49 | President,<br>Chief<br>Executive<br>Officer and<br>Director | June, 2003     | President and Chief Executive Officer of the Corporation since June, 2003; prior thereto President and Chief Executive Officer of Baytex Energy Ltd. since June, 1993. | 3,276,238   |

## Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance Committee.
- (5) The Corporation does not have an Executive Committee.
- (6) Mr. Shwed was a director of Echelon Energy Inc., a private company incorporated under the ABCA. In September 1999, a receiver-manager was appointed over the assets of Echelon.
- (7) Mr. Brussa was a director of Imperial Metals Limited, a corporation engaged in both oil and gas and mining operations, in the year prior to that corporation implementing a plan of arrangement under the *Company Act* (British Columbia) and under the *Companies' Creditors Arrangement Act* (Canada) which resulted in the separation of its two businesses and the creation of two public corporations: Imperial Metals Corporation and IEI Energy Inc. (now Rider Resources Ltd.). The plan of arrangement was completed in April 2002.
- (8) Mr. Drummond is a trustee of Heating Oil Partners Income Fund a Canadian income fund that distributes heating oil in the United States of America. On September 26, 2005, the Fund's operating subsidiary Heating Oil Partners, L.P. filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code and filed for recognition of the Chapter 11 proceedings under the Companies' Creditors Arrangement Act (Canada). As a consequence of these filings, the Fund's trust units were suspended from listing on the TSX effective at the close of business on October 6, 2005 and were subsequently delisted on November 7, 2005.
- (9) Mr. Nerland was a director of Samsports.com Inc., a public company incorporated under the ABCA. In April 2001, a receiver-manager was appointed over the assets of Samsports.

### Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Accountants, to serve as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP have been the Corporation's auditors since October 31, 2003.

### Three Year Re-Approval of Unallocated Stock Options

The Corporation has a share option plan (the "Plan"), which is described under the heading "Executive Compensation – Stock Options" below. The Plan was last approved by shareholders on May 26, 2005.

Section 613(a) of the Toronto Stock Exchange Company Manual provides that every three (3) years after the institution of a security based compensation arrangement all unallocated rights, options or other entitlements under such arrangement which does not have a fixed maximum number of securities issuable thereunder, must be approved by a majority of the issuer's directors and by the issuer's securityholders. As our Plan is considered to be a security based compensation arrangement and as the maximum number of Common Shares issuable pursuant to our Plan is not a fixed number but is instead equal to 10% of the outstanding Common Shares, approval is being sought at the Meeting to approve the grant of unallocated stock options under our Plan. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated stock options under our Plan until May 22, 2011. If approval is not obtained at the Meeting, options which are outstanding as of May 22, 2008 will be unaffected; however, options which have not been allocated as of May 22, 2008 and options which are outstanding as of May 22, 2008 and which are subsequently cancelled, terminated or exercised, will not be available for a new grant of options under the Plan.

Accordingly, on April 11, 2008, the Board unanimously approved, subject to regulatory and shareholder approval, the grant of unallocated stock options under our Plan. At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution as follows:

"BE IT RESOLVED, as an ordinary resolution of Crew Energy Inc. (the "Corporation") that:

1. all unallocated stock options issuable pursuant to the Corporation's share option plan are approved and authorized until May 22, 2011; and
2. any one officer or director of the Corporation be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolution."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting on such resolution.

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for approval of the foregoing resolution.

### **Approval of Amendments to the Share Option Plan of the Corporation**

On April 11, 2008, the Board unanimously approved, subject to regulatory and shareholder approval, certain amendments to the Corporation's Plan (the "Proposed Amendments") as set forth below which are primarily intended to address certain changes in the rules and policies of the Toronto Stock Exchange implemented since the time that the Plan was last approved by the Corporation's shareholders.

Accordingly, at the Meeting, shareholders will be asked to ratify and approve the Proposed Amendments which will: (i) include a provision providing for extension of the exercise period of an Option during a self-imposed "Black-Out Period" for a maximum of ten business days following the end of such Black-Out Period; (ii) replace the existing provision relating to the Committee's ability to make amendments to the Plan; (iii) delete the references to performance shares of the Corporation given that there are no longer any performance shares of the Corporation outstanding; and (iv) make certain other "housekeeping" amendments of a non-material nature to the Plan including, without limitation, adding a definitions section.

The TSX Rules and Guidelines now provide that issuers may include in their share option plans a provision clarifying the treatment of an Optionee's entitlement to exercise Stock Options which would otherwise terminate during a self-imposed Black-Out Period. Accordingly, the Proposed Amendments include the addition of provision to the Corporation's Plan as encouraged by and in compliance with the TSX Rules and Guidelines as follows:

"If the normal expiry date of any Stock Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "Restricted Options"), then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period. The foregoing extension applies to all Stock Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 14 hereof."

"Blackout Period" shall be defined in the Plan to mean the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of a Stock Option.

Since the Plan was first approved, the TSX has implemented new rules and guidelines as to the type of amendments that can be made to share compensation plans with or without shareholder approval. Accordingly, in order to properly reflect these new rules and guidelines, it is proposed that section 14 of our Plan be replaced in its entirety with the following:

"14. Amendment or Discontinuance of the Plan

The Committee may not, without the prior approval of the shareholders:

- (a) make any amendment to the Plan to increase the percentage of Common Shares reserved for issuance on exercise of outstanding Stock Options at any time pursuant to Subsection 4(a) hereof;
- (b) reduce the exercise price of any outstanding Stock Options;
- (c) extend the term of any outstanding Stock Option beyond the original expiry date of such Stock Option;
- (d) make an amendment to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to Section 4 (b), (c) or (d);
- (e) make an amendment to Section 4(e) to increase the maximum number of Common Shares issuable on exercise of Stock Options granted to directors who are not officers or employees of the Corporation;
- (f) make any amendment to the Plan that would permit an Optionee to transfer or assign Stock Options to a new beneficial Optionee other than in the case of death of the Optionee; or
- (g) amend this Section 14.

Except as restricted by the foregoing, the Committee may amend or discontinue the Plan or Stock Options granted thereunder at any time without shareholder approval provided that any amendment to the Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Plan or Stock Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan."

A copy of our Plan after giving effect to the Proposed Amendments is attached to this information circular as Schedule "B".

In accordance with the requirements of the Toronto Stock Exchange, approval of the Proposed Amendments requires approval of a majority of the votes cast at the meeting. Accordingly, at the meeting shareholders will be asked to consider and, if thought fit, pass an ordinary resolution as follows:

"BE IT RESOLVED, as an ordinary resolution of Crew Energy Inc. (the "Corporation") that:

1. the amendments to the Corporation's share option plan as more specifically described in the Information Circular – Proxy Statement of the Corporation dated April 21, 2008, be and the same are hereby ratified and approved; and
2. any one officer or director of the Corporation be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolution."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting on such resolution.

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for approval of the foregoing resolution.

## INFORMATION CONCERNING THE CORPORATION

### Voting Shares and Principal Holders Thereof

Crew is authorized to issue an unlimited number of Common Shares without nominal or par value. As at April 14, 2008, 53,749,819 Common Shares of the Corporation were issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if not less than two persons are present at the Meeting holding or representing not less than 5% of the shares entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, based upon publicly available information, as at April 14, 2008 (i) Resolute Performance Fund held 10,600,000 Common Shares of Crew representing approximately 19.8% of the issued and outstanding Common Shares of the Corporation, and (ii) no other person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

As at April 14, 2008, the directors and officers of Crew, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 5,132,003 Common Shares or approximately 10% of the issued and outstanding Common Shares of Crew.

### Executive Compensation

#### Summary Compensation Table

The following table sets forth certain information regarding the compensation of the President and Chief Executive Officer, the Vice-President, Finance and Chief Financial Officer, the Vice-President, Exploration, the Vice-President, Production and the Vice-President, Land of the Corporation (the "Named Executive Officers"). Other than the Named Executive Officers, no other executive officer of the Corporation was paid an annual salary and bonus in the last completed financial year of the Corporation that exceeded \$150,000 (on an annualized basis).

| Name and Principal Position   | Fiscal Year | Annual Compensation    |            |   | Long-Term Compensation                                      |   |         | All Other Compensation (\$) |
|---|-------------|------------------------|------------|---|---|---|---------|-----------------------------|
|   |             | Salary (\$)            | Bonus (\$) | Other Annual Compensation (\$) <sup>(1)</sup> | Securities Under Options/SARs <sup>(2)(3)</sup> Granted (#) | Shares or Units Subject to Resale Restrictions (\$) | Payouts |                             |
| Dale O. Shwed<br>President and Chief Executive Officer                  | 2007        | 235,000                | 150,000    | -   | 180,000   | -   | -       | -                           |
|   | 2006        | 100,000                | 45,000     | -   | -   | -   | -       | -                           |
|   | 2005        | 100,000                | -          | -   | 222,000   | -   | -       | -                           |
| John G. Leach<br>Vice-President,<br>Finance and Chief Financial Officer | 2007        | 200,000                | 100,000    | -   | 165,000   | -   | -       | -                           |
|   | 2006        | 100,000                | 45,000     | -   | -   | -   | -       | -                           |
|   | 2005        | 100,000                | -          | -   | 120,000   | -   | -       | -                           |
| Ted Nitychoruk<br>Vice-President,<br>Exploration                        | 2007        | 200,000                | 60,000     | -   | 165,000   | -   | -       | -                           |
|   | 2006        | 100,000                | 40,000     | -   | -   | -   | -       | -                           |
|   | 2005        | 100,000                | -          | -   | 102,000   | -   | -       | -                           |
| Ryan Chong<br>Vice-President,<br>Production                             | 2007        | 200,000                | 60,000     | -   | 165,000   | -   | -       | -                           |
|   | 2006        | 100,000                | 45,000     | -   | -   | -   | -       | -                           |
|   | 2005        | 100,000                | -          | -   | 120,000   | -   | -       | -                           |
| Ken Truscott<br>Vice-President,<br>Land                                 | 2007        | 200,000 <sup>(4)</sup> | 65,000     | -   | 165,000   | -   | -       | -                           |

## Notes:

- (1) The aggregate amount of all perquisites and other personal benefits provided to each Named Executive Officer was less than \$50,000 and 10% of the total annual salary and bonus of each Named Executive Officer for the period indicated.
- (2) Messrs. Shwed, Leach, Nitychoruk and Chong were granted 330,000, 180,000, 150,000 and 180,000 Performance Shares, respectively, upon commencement of Crew's operations in September, 2003 at a price of \$0.01 per share. All outstanding Performance Shares have been converted into Common Shares.
- (3) Messrs. Shwed, Leach, Nitychoruk and Chong each converted (i) 110,000, 60,000, 0 and 0 Performance Shares, respectively, in fiscal 2007 into 84,508, 49,004, 0 and 0 Common Shares, respectively, (ii) 0, 0, 50,000 and 60,000 Performance Shares, respectively, in fiscal 2006 into 0, 0, 43,678 and 52,974 Common Shares, respectively and (iii) 220,000, 120,000, 100,000 and 120,000 Performance Shares, respectively, in fiscal 2005 into 199,526, 108,832, 90,730 and 108,876 Common Shares, respectively.
- (4) Mr. Truscott commenced employment with Crew on September 1, 2007 and prior to that worked with the Corporation on a contract basis since December 15, 2006. This amount reflects his salary on an annualized basis.

***Stock Options***

The Corporation has a Plan which permits the granting of Options to purchase Common Shares to directors, officers, employees, consultants and other service providers to the Corporation and its subsidiaries. The Plan currently limits the number of Common Shares that may be issued on exercise of Options to a number not exceeding 10% of the number of Common Shares which are outstanding from time to time less the number of Common Shares, if any, issuable on conversion of outstanding Performance Shares. As at the date hereof, there are options outstanding to acquire an aggregate of 4,259,550 Common Shares. All outstanding Performance Shares have been converted into Common Shares. The Corporation's Plan was last approved by our shareholders at our annual meeting held on May 26, 2005.

Options granted pursuant to the Plan have a term not exceeding ten years and vest in such manner as determined by the board of directors or a committee thereof. The exercise price of the Options granted pursuant to the Plan is also determined by the board of directors of the Corporation or such committee at the time of grant and may not be less than the closing price of the Common Shares on the TSX for the last day on which the Common Shares have traded on the exchange immediately prior to the date of grant. Options granted under the Plan are not transferable or assignable.

The number of Common Shares reserved for issuance to any one optionee may not exceed 5% of the outstanding Common Shares or 1% of the outstanding Common Shares in the case of non-management directors. In addition, the number of Common Shares, together with all of the Corporation's other share compensation arrangements reserved for issuance to insiders may not exceed 10% of the outstanding Common Shares and which may be issued to insiders within a one year period may not exceed 10% of the outstanding Common Shares.

In the event that an optionee ceases to be an employee or service provider of Crew or a subsidiary of Crew for any reason, including without limitation, resignation, dismissal or otherwise but excluding death, the optionee may, prior to the expiry date of the Options and within 30 days from the date of ceasing to be an employee or service provider, exercise any Options which are vested within such period, after which time any outstanding Options shall terminate.

In the event of the death of the optionee, any Options which the optionee could have exercised immediately prior to death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the Options and six months of the optionee's death.

The Plan also provides that optionees have the right (the "Put Right") to request that the Corporation purchase each of their vested Options for a price equal to the difference, if positive, between the market price of the Common Shares on the day prior to the date of notice of exercise of the Put Right and the exercise price of the Option. The Corporation has the discretion not to accept any exercise of the Put Right. In addition, each optionee that exercises the Put Right may purchase Common Shares with the proceeds of the exercise of the Put Right at the market price of the Common Shares. The maximum number of Common Shares which may be issued under the Put Right is presently limited to 250,000 Common Shares (0.5% of those outstanding as at April 14, 2008).

Currently, subject to the prior approval of any stock exchange or other regulatory body having jurisdiction, the board of directors of the Corporation may amend or discontinue the Plan or any Option at any time, provided that no such amendment may increase the maximum number of Common Shares that may be optioned under the Plan in the aggregate or to any person or group of persons, changing the manner of determining the minimum exercise price, extend the period during which Options may be exercised or, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Plan.

At the Meeting, Shareholders are being asked to consider, and if thought advisable, to approve certain amendments to the Plan. See "*Matters to be Acted Upon at the Meeting – Approval of Amendments to the Share Option Plan of the Corporation*".

### ***Stock Options Granted During the Year Ended December 31, 2007***

The following table sets forth certain information respecting grants of options to purchase Common Shares to the Named Executive Officers during the most recently completed financial year.

| Name           | Options Granted (#) | % of Total Options Granted to Employees during the financial year (%) | Exercise Price (\$/share) | Market Value of Common Shares on Date of Grant (\$/share) | Expiration Date |
|----------------|---------------------|---|---------------------------|---|-----------------|
| Dale O. Shwed  | 180,000             | 7   | 9.97                      | 9.97  | March 30, 2011  |
| John G. Leach  | 165,000             | 7   | 9.97                      | 9.97  | March 30, 2011  |
| Ted Nitychoruk | 15,000              | 1   | 10.62                     | 10.62   | April 19, 2011  |
|                | 150,000             | 6   | 9.97                      | 9.97  | March 30, 2011  |
| Ryan Chong     | 15,000              | 1   | 10.62                     | 10.62   | April 19, 2011  |
|                | 150,000             | 6   | 9.97                      | 9.97  | March 30, 2011  |
| Ken Truscott   | 165,000             | 7   | 10.62                     | 10.62   | April 19, 2011  |

### ***Stock Options exercised during the Year Ended December 31, 2007 and Year End Option Values***

The following table sets forth with respect to our Named Executive Officers, the number of Options exercised and the number of unexercised Options and the value of in the money Options as at December 31, 2007.

| Name           | Securities Acquired on Exercise (#) | Aggregate Value Realized (\$) | Unexercised Stock Options/ SARs at Fiscal Year-End (#) | Value of Unexercised in-the-money Stock Options at Fiscal Year-End (\$) <sup>(1)</sup> |
|----------------|-------------------------------------|-------------------------------|--|--|
|                |                                     |                               | Exercisable /Unexercisable                             | Exercisable / Unexercisable  |
| Dale O. Shwed  | 0                                   | 0                             | 148,000/ 254,000                                       | Nil / Nil  |
| John G. Leach  | 0                                   | 0                             | 80,000 / 205,000                                       | Nil / Nil  |
| Ted Nitychoruk | 0                                   | 0                             | 68,000 / 199,000                                       | Nil / Nil  |
| Ryan Chong     | 0                                   | 0                             | 80,000 / 205,000                                       | Nil / Nil  |
| Ken Truscott   | 0                                   | 0                             | 0 / 165,000  | Nil / Nil  |

Note:

- (1) Based on the closing price of Crew's Common Shares on December 31, 2007 of \$7.23, less the exercise price of the Option.

### ***Compensation of Directors***

We do not pay fees to directors, but from time to time the Corporation may grant stock options to directors. In addition, directors are reimbursed for their out of pocket expenses incurred in carrying out their duties as directors.

The following table sets forth the Options held by directors, who are not also executive officers, as at December 31, 2007:

| Held by           | Aggregate Number of Shares Under Stock Options | Date of Grant                        | Date of Expiry                       | Exercise Price per Share | Market Price at Date of Grant |
|-------------------|--|--------------------------------------|--------------------------------------|--------------------------|-------------------------------|
| John A. Brussa    | 30,000<br>10,000                               | March 30, 2007<br>September 19, 2006 | March 30, 2011<br>September 19, 2010 | \$9.97<br>\$12.25        | \$9.97<br>\$12.25             |
| Fred C. Coles     | 30,000<br>10,000                               | March 30, 2007<br>September 19, 2006 | March 30, 2011<br>September 19, 2010 | \$9.97<br>\$12.25        | \$9.97<br>\$12.25             |
| Gary J. Drummond  | 30,000<br>10,000                               | March 30, 2007<br>September 19, 2006 | March 30, 2011<br>September 19, 2010 | \$9.97<br>\$12.25        | \$9.97<br>\$12.25             |
| Dennis L. Nerland | 30,000<br>10,000                               | March 30, 2007<br>September 19, 2006 | March 30, 2011<br>September 19, 2010 | \$9.97<br>\$12.25        | \$9.97<br>\$12.25             |
| John A. Thomson   | 30,000<br>60,000                               | March 30, 2007<br>September 19, 2006 | March 30, 2011<br>September 19, 2010 | \$9.97<br>\$12.25        | \$9.97<br>\$12.25             |

### ***Securities Authorized for Issuance Under Equity Compensation Plans***

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2007.

| Plan Category   | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by securityholders<br>Options <sup>(1)</sup> | 3,270,800   | \$11.41   | 2,086,932   |
| Equity compensation plans not approved by securityholders                       | -   | -   | -   |
| Total   | 3,270,800   | \$11.41   | 2,086,932   |

Note:

- (1) The Corporation's Plan authorizes the issuance of Options entitling the holders to acquire, in the aggregate, up to 10% of its outstanding Common Shares from time to time.

### ***Employment Agreements***

There are currently no employment agreements in place for any of the Named Executive Officers.

### **Composition and Role of Compensation Committee**

The Board has appointed a Compensation Committee comprised of John A. Brussa (Chair), Dennis L. Nerland and John A. Thomson. All of these directors are considered to be "independent" for the purposes of National Instrument 58-201 (Corporate Governance Guidelines). The committee's mandate is to formally make recommendations to the Board in respect of compensation issues relating to directors, senior management and staff of the Corporation, including recommending performance objectives and the compensation package for the Chief Executive Officer.

### **Report of Compensation Committee**

The purpose of the Crew executive compensation policy is to attract and retain individuals of high caliber to serve as officers of the corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Corporation's shareholders. These objectives are to ensure that the Corporation continues to grow production, reserves, funds from operations and earnings on an absolute and per share basis.

The Corporation's primary compensation policy is to pay for performance and, accordingly, the performance of the Corporation, Chief Executive Officer and other executive officers are examined by the Compensation Committee. Some of the factors looked at by the Compensation Committee in assessing the performance of the Chief Executive Officer are as follows: (a) absolute and per share production growth; (b) finding and on stream costs (for both current and longer periods); (c) overall oil and gas reserve changes, looking at both proven and probable reserves; (d) operating costs and the change in operating costs per barrel of oil equivalent ("BOE") in the context of the overall market; (e) earnings per share changes; (f) funds from operations per share changes; and (g) the Corporation's performance for all of the above relative to its stated goals and objectives and in relation to the performance of its industry peer group.

The Compensation Committee does not set specific performance objectives in assessing the performance of the Chief Executive Officer and other executive officers; rather the Compensation Committee uses its experience and judgment in determining an overall compensation package for the Chief Executive Officer and other executive officers.

Executive officer compensation consists of essentially three components: (a) base salary; (b) bonuses; and (c) participation in long-term incentive compensation programs. Each of these executive officer compensation arrangements is briefly described as follows.

### ***Base Salaries***

The Corporation intends to pay base salaries to its executive officers including the Chief Executive Officer that are competitive with those of comparable companies in the oil and gas industry. The Compensation Committee compares the base salaries of the Corporation's officers with that of officers at peer companies in the oil and gas industry and expects to set Crew's officers' pay level in-line with the average for such position while also considering the other components of the officer's compensation package. Factors looked at in assessing peer companies will include total revenue, total assets, free cash flow, total level of capital expenditures, number of employees and daily production levels on a BOE basis.

### ***Bonuses***

The Compensation Committee reviews the factors mentioned above relative to peer companies in order to determine whether a bonus is in fact warranted. The amount of the bonus paid will not be set in relation to any formula or specific criteria but is the result of a subjective determination of the Corporation's performance and is approved by the Board based upon the recommendations of the Compensation Committee. The Compensation Committee has not established strict predetermined quantitative performance criteria linked to the payment of bonuses.

### ***Long Term Incentive Compensation – Stock Options***

Individual Options are granted under the Corporation's Plan to directors, officers, employees, contractors and other service providers and are intended to align executive, employee, contractors, service provider and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Plan rewards overall corporate performance, as measured through the price of the Corporation's Common Shares. In addition, the Plan enables executives to develop and maintain a significant ownership position in the Corporation.

Options are normally awarded by the Corporation's management and approved by the Compensation Committee upon the commencement of employment with the Corporation based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional option grants, the number of Options held is taken into account in determining Option grants.

### Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee and the Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Submitted by: John A. Brussa  
John A. Thomson  
Dennis L. Nerland

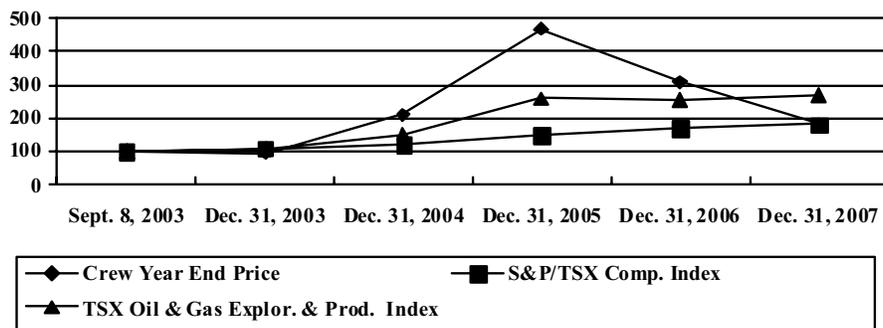
### Indebtedness of Directors and Officers

No director, executive officer, employee or former executive officer, director or employee of the Corporation, or its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### Performance Graph

The following graph compares the change in the cumulative total shareholder return from commencement of Crew's operations to the end of Crew's last financial year of a \$100 investment in the Corporation's Common Shares, with the cumulative total return of the S&P/TSX Composite Index and the TSX Oil & Gas Exploration Producers Index for the comparable period. The Corporation commenced trading on the Toronto Stock Exchange (the "TSX") on September 8, 2003.

**Cumulative Total Return on \$100 Investment  
(September 8, 2003 – December 31, 2007)**



|  | December 31,<br>2003 | December 31,<br>2004 | December 31,<br>2005 | December 31,<br>2006 | December 31,<br>2007 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Crew Closing Price                             | 95                   | 209                  | 469                  | 308                  | 181                  |
| S&P/TSX Comp. Index                            | 108                  | 121                  | 148                  | 169                  | 181                  |
| TSX Oil & Gas Exploration &<br>Producers Index | 108                  | 151                  | 259                  | 253                  | 269                  |

### Corporate Governance Disclosure

National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("NI 58-101") requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 ("Form 58-101F1 Disclosure").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F1 Disclosure (which is set out below in italics).

## 1. **Board of Directors**

- (a) *Disclose the identity of directors who are independent.*

The following five (5) directors of the Corporation are independent (for the purpose of NI 58-101):

John A. Brussa  
John A. Thomson  
Fred C. Coles  
Gary J. Drummond  
Dennis L. Nerland

- (b) *Disclose the identity of directors who are not independent, and describe the basis for that determination.*

Dale O. Shwed is not considered to be independent as Mr. Shwed is the President and Chief Executive Officer of the Corporation.

- (c) *Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the "board") does to facilitate its exercise of independent judgement in carrying out its responsibilities.*

A majority of the directors (five of the six) are independent.

- (d) *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

| <b>Name of Director</b> | <b>Name of Other Reporting Issuers</b>   |
|-------------------------|--|
| John A. Brussa          | 13222256 Alberta Ltd., 6550568 Canada Inc., Baytex Energy Ltd. (a wholly-owned subsidiary of Baytex Energy Trust), BlackWatch Energy Services Operating Corp. (a wholly-owned subsidiary of BlackWatch Energy Services Trust), Cirrus Energy Corporation, Divestco Inc., Endev Energy Inc., Enseco Energy Services Corp., Flagship Energy Inc., Galleon Energy Inc., Harvest Operations Corp. (a wholly-owned subsidiary of Harvest Energy Trust), Highpine Oil & Gas Limited, North American Energy Partners Inc., Ontario Energy Savings Corp. (a wholly-owned subsidiary of Energy Savings Income Fund), Orleans Energy Ltd., Penn West Petroleum Ltd. (a wholly owned subsidiary of Penn West Energy Trust), Progress Energy Ltd. (a wholly-owned subsidiary of Progress Energy Trust), Storm Exploration Inc., Strategic Energy Fund, Trafalgar Energy Ltd. and Yoho Resources Inc. |

|                  |  |
|------------------|--|
| John A. Thomson  | Canadian Hydro Developers, Inc., Compton Petroleum Corporation and Villanova Energy Corp.  |
| Fred C. Coles    | ARC Energy Trust (a wholly-owned subsidiary of ARC Resources Trust), Galleon Energy Inc., Masters Energy Inc., Progress Energy Ltd. (a wholly-owned subsidiary of Progress Energy Trust), Tristar Oil and Gas Ltd. |
| Gary J. Drummond | Complex Minerals Corp., Bonterra Energy Income Trust (a public energy trust), Pine Cliff Energy Ltd., Universal Energy Group Ltd.  |
| Dennis Nerland   | Accelaware Inc., Arch Energy Inc. Baden Technologies Inc., Cayman Energy Inc, Ceres Capital Corporation, Corridor Interactive Inc., Critical Control Solutions Inc., Propel Energy Inc. and Royal Capital Corp.    |
| Dale O. Shwed    | Baytex Energy Ltd. (a wholly-owned subsidiary of Baytex Energy Trust)  |

- (e) *Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.*

At the end of or during each meeting of the Board of Directors, the members of management of the Corporation and the non-independent director of the Corporation who are present at such meeting may be asked to leave the meeting in order for the independent directors to meet. 3 such meetings have been held since January 1, 2007. In addition, other meetings of the independent directors may be held from time to time if required.

- (f) *Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.*

The Chairman of the Board is John A. Brussa, who is an independent member of the Board. The Chairman provides overall leadership to the Board without limiting the principle of collective responsibility and the ability of the Board to function as a unit. The Chairman endeavours to fulfil his Board responsibilities in a manner that will ensure that the Board is able to function independently of management and considers, and allows for, when appropriate, meetings of independent directors so that the board meetings can take place without management being present. The Chairman also endeavours to ensure that reasonable procedures are in place to allow directors to engage outside advisors at the expense of the Corporation in appropriate circumstances.

- (g) *Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.*

The attendance record of each of the directors of the Corporation for board meetings and any meetings of the committees of the board held since January 1, 2007, is as follows:

| <u>Director</u>                 | <u>Board of Directors</u> | <u>Audit Committee</u> | <u>Reserves Committee</u> | <u>Compensation Committee</u> | <u>Governance Committee</u> |
|---------------------------------|---------------------------|------------------------|---------------------------|-------------------------------|-----------------------------|
| John A. Brussa                  | 3 of 3                    | N/A                    | 3 of 3                    | 1 of 1                        | 2 of 2                      |
| John A. Thomson                 | 3 of 3                    | 5 of 5                 | 3 of 3                    | 1 of 1                        | N/A                         |
| Fred C. Coles <sup>(1)</sup>    | 2 of 3                    | 3 of 5                 | 2 of 3                    | N/A                           | 2 of 2                      |
| Gary J. Drummond <sup>(1)</sup> | 2 of 3                    | 1 of 5                 | N/A                       | N/A                           | N/A                         |
| Dennis L. Nerland               | 3 of 3                    | 5 of 5                 | N/A                       | 1 of 1                        | 2 of 2                      |
| Dale O. Shwed                   | 3 of 3                    | N/A                    | N/A                       | N/A                           | N/A                         |

Notes:

- (1) Mr. Drummond was replaced by Mr. Coles on the Audit Committee following the Company's March 7, 2007 Audit Committee meeting.

## 2. Board Mandate

*Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.*

The mandate of the Board of Directors is attached as Schedule "A" hereto.

## 3. Position Descriptions

- (a) *Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.*

The Board of Directors has developed written position descriptions for the Chairman of the Board of Directors as well as the Chairman of each of the Audit Committee, Reserves Committee, Compensation Committee and Corporate Governance Committee.

- (b) *Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and the CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.*

The Board of Directors of the Corporation, with input from the Chief Executive Officer of the Corporation has developed a written position description for the Chief Executive Officer.

## 4. Orientation and Continuing Education

- (a) *Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors; and (ii) the nature and operation of the issuer's business.*

Due to the size of the Corporation's Board of Directors, no formal education program currently exists for the orientation of new directors and existing directors. While the Corporation does not currently have a formal orientation program for new directors, new directors are provided with access to all background documents to the Corporation, including all corporate records, prior board materials and copies of the mandate of each of the Board of Directors and each of the Audit Committee, Reserves Committee, Compensation Committee and Corporate Governance Committee and a presentation is made by management to new directors respecting the nature and operations of the Corporation's business. Existing directors are also expected to provide orientation and education to new members on an informal and ad hoc basis.

- (b) *Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.*

As noted above, no formal continuing education program currently exists for the directors of the Corporation; however, the Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

## 5. **Ethical Business Conduct**

- (a) *Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:*

The Board of Directors has adopted a code of business conduct and ethics (the "Code") applicable to all members of the Corporation, including directors, officers and employees.

- (i) *disclose how a person or company may obtain a copy of the code;*

Each director, officer and employee of the Corporation has been provided with a copy of the Code and, in addition, a copy of the Code has been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and the Corporation's website at [www.crewenergy.com](http://www.crewenergy.com).

- (ii) *describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and*

The Board of Directors monitors compliance with the Code by requiring each of the senior officers of the Corporation to affirm in writing on an annual basis his or her agreement to abide by the Code, as to his or her ethical conduct and in respect of any conflicts of interest.

- (iii) *provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.*

There have been no material change reports filed since the beginning of the year ended December 31, 2007, that pertain to any conduct of a director or executive officer that constitutes a departure from the Corporation's Code.

- (b) *Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

- (c) *Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.*

The Board of Directors has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Corporation are provided with a mechanism by which

they can raise concerns in a confidential, anonymous process. This policy can be found on the Corporation's website at [www.crewenergy.com](http://www.crewenergy.com).

## 6. **Nomination of Directors**

- (a) *Describe the process by which the board identifies new candidates for board nomination.*

The Corporate Governance Committee has responsibility for selecting nominees for election to the Board. At present, the Board of Directors does not have a process by which the Board identifies new candidates for Board nomination; however, it is anticipated that new candidates will be identified having regard to the strength and constitution of the board of Directors and the perception of the directors of the needs of the Corporation.

- (b) *Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.*

The Corporate Governance Committee, which is responsible for nominating directors, is comprised entirely of independent directors.

- (c) *If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.*

See item 6(a).

## 7. **Compensation**

- (a) *Describe the process by which the board determines the compensation for the issuer's directors and officers.*

### Compensation of Directors

The Compensation Committee conducts a "yearly" review of directors' compensation having regard to various governance reports on current trends in directors' compensation and compensation data for directors of reporting issuers of comparative size to the Corporation.

### Compensation of Officers

The Compensation Committee is responsible for developing and recommending management compensation policies, programs and levels to the Board of Directors to make sure they are aligned with shareholders' interests and corporate performance. See "*Report of Compensation Committee*" as contained in the accompanying Information Circular of the Corporation.

- (b) *Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.*

The Compensation Committee is comprised entirely of independent directors.

- (c) *If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.*

The Compensation Committee is responsible for formulating and making recommendations to the Board of Directors in respect of compensation issues relating to directors, officers and employees of the Corporation. Without limiting the generality of the foregoing, the Compensation Committee has the following duties:

- (i) to review the compensation philosophy and remuneration policy for employees of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
- (ii) to review and recommend to the Board the retainer and fees to be paid to members of the Board;
- (iii) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on such evaluation;
- (iv) to recommend to the Board with respect to non-CEO officer and director compensation including to review management's recommendations for proposed stock option, share purchase plans and other incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Board;
- (v) to administer the stock option plan approved by the Board in accordance with its terms;
- (vi) to determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate; and
- (vii) to prepare and submit a report of the Committee for inclusion of annual disclosure required by applicable securities laws to be made by the Corporation including the Compensation Committee Report required to be included in the Information Circular – Proxy Statement of the Corporation and review other executive compensation disclosure before the Corporation publicly discloses such information.

The Compensation Committee is required to be comprised of at least three directors, or such greater number as the Board may determine from time to time. All members of the Compensation Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Compensation Committee, meetings of the Committee are to take place at least one time per year and at such other times as the Chair of the Compensation Committee may determine.

- (d) *If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.*

A compensation consultant or advisor has not, at any time since the beginning of the year ended December 31, 2007, been retained to assist in determining compensation for any of the Corporation's, directors and officers.

## 8. **Other Board Committees**

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

In addition to the Audit Committee and Compensation Committee, the Corporation also has a Reserves Committee and Corporate Governance Committee (which also serves as the nominating committee).

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 (Standards of Disclosure for Oil and Gas Activities) ("NI 51-101"), including:

- (i) reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- (ii) reviewing the Corporation's procedures for providing information to the independent evaluator;
- (iii) meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "Reserves Data") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);
- (iv) reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
- (v) providing a recommendation to the Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;
- (vi) reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities; and
- (vii) generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

The Corporate Governance Committee also acts as the nominating committee of the Corporation and carries out the functions with respect thereto as described under Item 6(a). In addition, the Corporate Governance Committee is responsible for developing the approach of the Corporation in matters concerning corporate governance including:

- (i) annually reviewing the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- (ii) considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
- (iii) preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
- (iv) clarifying to the Board, if required, as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- (v) reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;

- (vi) assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;
- (vii) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:
  - (A) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - (B) the competencies and skills that the Board considers each existing director to possess;
  - (C) the competencies and skills each new nominee will bring to the boardroom; and
  - (D) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- (viii) as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board
- (ix) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (x) developing and recommending to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- (xi) making recommendations to the board of directors regarding appointments of corporate officers and senior management;
- (xii) reviewing annually the Committee's Mandate and Terms of Reference;
- (xiii) reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- (xiv) establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "Code") and ensure that management has established a system to monitor compliance with the Code; and
- (xv) reviewing management's monitoring of the Corporation's compliance with the Code.

## 9. **Assessments**

*Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.*

The Corporate Governance Committee is responsible by its terms of reference to evaluate the effectiveness of the Board, committees and individual directors. The Corporate Governance Committee evaluates Board

effectiveness through both its formal and informal communications with Board members. The Committee, with the participation of the Chairman, may recommend changes to enhance Board performance based on this communication as well as based on its review and assessment of the Board structure and individuals in relation to current industry and regulatory expectations. This methodology has been both responsive and practical.

#### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There were no material interests, direct or indirect, of directors or executive officers of the Corporation, any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors, the approval of unallocated Options under the Plan and the approval of amendments to the Plan, to the extent that any of the foregoing participate therein.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended December 31, 2007 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management discussion and analysis are available on SEDAR or upon request from the Corporation at Suite 1400, 425 - 1st Street SW, Calgary, Alberta T2P 3L8 Attention: Chief Financial Officer.

Also see "*Audit Committee*" in the Corporation's annual information form for the year ended December 31, 2007 for information relating to the Audit Committee, including its mandate, composition of the Audit Committee and fees paid to the Corporation's auditors.

#### **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

#### **APPROVAL**

The contents and sending of this Information Circular - Proxy Statement has been approved by the Board of Directors of Crew Energy Inc.

DATED April 24, 2008.

## SCHEDULE "A"

### MANDATE OF THE BOARD OF DIRECTORS

#### GENERAL

The Board of Directors (the "**Board**") of Crew Energy Inc. (the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- in consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objectives of the Corporation;
- supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

#### SPECIFIC

##### *Executive Team Responsibility*

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Ensure that a process is established as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- Establish limits of authority delegated to management.

##### *Operational Effectiveness and Financial Reporting*

- Annual review and adoption of a strategic planning process and approval of the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Ensure that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters.
- Ensure that an adequate system of internal control exists.
- Ensure that due diligence processes and appropriate controls are in place with respect to applicable certification requirements regarding the Corporation's financial and other disclosure.

- Review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.
- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

### ***Integrity/Corporate Conduct***

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.
- Approve a Business Conduct & Ethics Practice for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Practice for officers and directors.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

### ***Board Process/Effectiveness***

- Ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- Engage in the process of determining Board member qualifications with the Corporate Governance Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

- Each member of the Board is expected to understand the nature and operations of the Corporation's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which the Corporation invests, or is contemplating potential investment.
- Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.
- The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Corporation, as determined by the Board.
- In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

#### **DELEGATION**

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.
- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of the Corporation, the Chairman of the Board will act as a liaison between stakeholders of the Corporation and the Board (including independent members of the Board).

## **SCHEDULE "B"**

### **CREW ENERGY INC. SHARE OPTION PLAN**

**(Amended and Restated as of May 22, 2008)**

#### **1. Purpose of Plan**

The purpose of this Plan is to develop the interest of the directors, officers and employees of, and certain other persons providing services on an ongoing basis (collectively the "Optionees") of Crew Energy Inc. and its subsidiaries (collectively "Crew") in the growth and development of Crew by providing them with the opportunity to acquire an increased proprietary interest in Crew.

#### **2. Administration**

This Plan will be administered by the Board of Directors of Crew, or if appointed, by a special committee of director(s) appointed from time to time by the Board of Directors of Crew (such committee or, if no such committee is appointed, the Board of Directors of Crew, is hereinafter referred to as the "Committee") pursuant to rules of procedure fixed by the Board of Directors of Crew.

#### **3. Granting of Stock Options**

The Committee may from time to time grant options ("Stock Options") to purchase common shares of Crew ("Common Shares") to the Optionees and fix the number of Common Shares subject to option to each Optionee, provided that the number of Common Shares to be optioned shall not exceed the limitations provided in Section 4 hereof.

#### **4. Limitations to the Plan**

Notwithstanding any other provision of the Plan:

- (a) (subject to Clause 10 hereof) the maximum number of Common Shares issuable on exercise of outstanding Stock Options at any time shall be limited to 10% of the issued and outstanding Common Shares;
- (b) the number of Common Shares issuable pursuant to the Plan to any one person shall not exceed 5% of the outstanding Common Shares;
- (c) the number of Common Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, including this Plan, shall not exceed 10% of the issued and outstanding Common Shares;
- (d) the number of Common Shares issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, including this Plan, shall not exceed 10% of the issued and outstanding Common Shares; and
- (e) the maximum number of Common Shares issuable pursuant to the Plan to directors of Crew who are not officers or employees of Crew at any time pursuant to outstanding Stock Options shall be limited to 1% of the issued and outstanding Common Shares.

For the purposes of Section 4, any increase in the issued and outstanding Common Shares (whether it is a result of exercise of Stock Options or otherwise) will result in an increase in the number of Common Shares that may be issued on Stock Options outstanding at any time and any increase in the number of Stock Options granted will, upon exercise, make new grants available under the Plan.

Stock Options that are cancelled, terminated or expire prior to the exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Stock Options pursuant to this Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Stock Options.

**5. Vesting of Stock Options**

The Committee may, in its sole discretion, determine the time during which Stock Options shall vest and the method of vesting, or that no vesting restriction shall exist (subject to acceleration of vesting in the discretion of the Committee).

**6. Expiry Date**

All Stock Options granted pursuant to this Plan will expire on a date (the "Expiry Date") as determined by the Committee at the time of the grant provided that no Stock Option may be exercised beyond ten years from the time of the grant. In addition, if the Optionee:

- (a) dies prior to the Expiry Date, the Optionee's legal representative may, within six months from the Optionee's death and prior to the Expiry Date, exercise the Stock Options which are vested within such period, after which time any remaining Options shall terminate; and
- (b) at any time ceases to be a director or officer of or be in the employ of, or consultant or other Service Provider to, either Crew or a subsidiary of Crew for any reason whatsoever, including without limitation resignation, dismissal or otherwise but excluding the Optionee's death, the Optionee may, prior to the Expiry Date and within 30 days from the date of ceasing to be a director or officer of or in the employ of, or consultant or other Service Provider to, either Crew or a subsidiary of Crew, exercise the Stock Options which are vested within such period, after which time the Stock Options shall terminate. For the purposes of this subclause 6(b) the Optionee shall be deemed to cease to be an employee of Crew or a subsidiary of Crew on the date that Crew provides notice in writing of dismissal.

If the normal Expiry Date of any Stock Options falls within any Black-Out Period or within ten (10) business days following the end of any Black-Out Period ("Black-Out Options"), then the Expiry Date of such Black-Out Options shall, without any further action, be extended to the date that is ten (10) business days following the end of such Black-Out Period. The foregoing extension applies to all Stock Options whatever the date of grant and shall not be considered an extension of the term of the Stock Options as referred to in Section 14 hereof.

**7. Exercise Price**

The exercise price of any Stock Option granted pursuant to the Plan shall be fixed by the Committee when the Stock Option is granted, provided that if the Common Shares are listed on an Exchange such price shall not be less than the Market Price of the Common Shares as determined on the date of the grant or such other minimum price as may be required by the Exchange on which the Common Shares are listed at the time of grant.

**8. Non-assignability**

All Stock Options granted pursuant to the Plan will be personal to the Optionee and will not be assignable.

**9. Exercise of Stock Option**

- (a) Subject to the Plan, the Optionee may:
  - (i) exercise from time to time by delivery to the Corporation, at its head office in Calgary, Alberta, a written notice of exercise ("Exercise Notice") specifying the number of Common Shares with respect to which the Stock Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased. Upon exercise of the Stock Option, the Corporation will cause to be delivered to the Optionee a certificate or certificates, representing such Common Shares in the name of the Optionee or the Optionee's legal personal representative or otherwise as the Optionee may or representative may in writing direct; or

- (ii) exercise the right (the "Put Right") from time to time to require the Corporation to purchase all or any part of the Stock Options of the Optionee by delivery to the Corporation, at its head office in Calgary, Alberta, a written notice of exercise ("Put Notice") specifying the number of Stock Options with respect to which the Put Right is being exercised. Upon the exercise of the Put Right, the Corporation will purchase from the Optionee all of the Stock Options specified in the Put Notice at a purchase price (the "Purchase Price") equal to the excess of the Current Market Price, determined on the date of receipt of the Put Notice by the Corporation (the "Notice Date"), over the Exercise Price for each Stock Option being purchased under the Put Right. Upon the exercise of the Put Right, the Corporation will cause to be delivered to the Optionee a cheque representing the Purchase Price within three Business Days of the Notice Date. Notwithstanding the foregoing, the Corporation may at its sole discretion decline to accept the exercise of a Put Right at any time; and
- (b) Provided that the board of directors has approved the issuance of Common Shares pursuant to this Section 9 for a calendar year, an Optionee that exercises the Put Right in accordance with Section 9(a)(ii) may purchase from the Corporation that number of Common Shares, which may, at the election of Crew, be issued on a flow-through basis (as Canadian Exploration Expense as defined in the *Income Tax Act* (Canada)) (the "Purchase Right"), not greater than the number of Common Shares determined by dividing the Purchase Price by the Current Market Price, determined on the Notice Date, rounded to the nearest whole Common Share, at a price equal to the Current Market Price determined on the Notice Date by providing notice to the Corporation on the Notice Date. Upon exercise of the Purchase Right, the Optionee will deliver to the Corporation an executed subscription agreement, in a form acceptable to the Corporation, and a cheque representing the purchase price for the Common Shares so purchased within three Business Days of the Notice Date. The maximum number of Common Shares which may be issued under the Purchase Right is 250,000 (the "Share Purchase Maximum"), subject to adjustment as set forth below. The Share Purchase Maximum shall be reduced by the number of Common Shares issued pursuant to the Purchase Right. Subject to all regulatory approvals, the Share Purchase Maximum may be increased by the Board of Directors with the approval of the shareholders of the Corporation as required by the stock exchanges upon which the Common Shares are listed.

For purposes of this Section 9, the Current Market Price means the closing price of the Common Shares on the last trading day prior to the Notice Date on which at least one board lot traded as reported by the Toronto Stock Exchange.

#### **10. Alterations in Common Shares**

Appropriate adjustments in the number of Common Shares optioned and in the exercise price per share, as regards options granted or to be granted, may be made or facilitated by the Committee in its discretion to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications, of the Common Shares, the payment of stock dividends by Crew or other relevant changes in the capital of Crew, subject to the prior approval of the Exchange or other regulatory body having jurisdiction.

#### **11. Take-over Bids**

If, during the term of a Stock Option, a take-over bid (as defined in the *Securities Act* (Alberta), which is not exempt from the take-over bid requirements of Part 13 of the *Securities Act* (Alberta) (or its replacement or successor provisions) shall be made for the Common Shares, Crew shall give notice of such take-over bid to all Optionees immediately upon becoming aware of such take-over bid and in any event at least 14 days before the expiration of such take-over bid. Each Optionee shall have the right, whether or not such notice is given to it by Crew, to exercise their Stock Options to purchase all of the Common Shares optioned to them which have not previously been purchased, but such Common Shares may only be purchased for tender pursuant to such take-over bid. If for any reason such Common Shares are not so tendered or, if tendered, are not, for any reason, taken up and paid for pursuant to the take-over bid, any such Common Shares so purchased by an Optionee shall be, and be deemed to be, cancelled and returned to the treasury of Crew, shall be added back to the number of Common Shares, if any, remaining unexercised and upon presentation to Crew of Common Share certificates representing such Common Shares properly endorsed for transfer back to Crew, Crew shall refund the Optionee all consideration paid by the Optionee in the initial purchase thereof.

## 12. No Rights as a Shareholder

An Optionee shall not have any of the rights or privileges of a shareholder of Crew in respect of any Common Shares issuable upon exercise of a Stock Option until certificates representing such Common Shares have been issued and delivered.

## 13. Option Agreement

A written agreement will be entered into between Crew and each Optionee to whom a Stock Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price, the vesting dates, the Expiry Date and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of Crew to enter into, and may contain such terms as may be considered necessary in order that the Stock Option will comply with any provisions respecting Stock Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Stock Option is granted may from time to time be a resident or citizen, or the rules of any regulatory body having jurisdiction over Crew. Such agreements may also contain such other provisions not inconsistent with the provisions hereof as the Committee may determine. All option agreements entered into and remaining outstanding prior to the effective date of the Plan continue with full force and effect unamended by the Plan.

## 14. Amendment or Discontinuance of the Plan

The Committee may not, without shareholder approval:

- (a) make any amendment to the Plan to increase the percentage of Common Shares reserved for issuance on exercise of outstanding Stock Options at any time pursuant to Subsection 4(a) hereof;
- (b) reduce the exercise price of any outstanding Stock Options;
- (c) extend the term of any outstanding Stock Option beyond the original expiry date of such Stock Option;
- (d) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to Section 4(b), (c) or (d);
- (e) make any amendment to Section 4(e) to increase the maximum number of Common Shares issuable on exercise of Stock Options to directors who are not officers or employees of the Corporation;
- (f) make any amendment to the Plan that would permit an Optionee to transfer or assign Stock Options to a new beneficial Optionee other than in the case of death of the Optionee; or
- (g) Make an amendment to amend this Section 14.

Except as restricted by the foregoing, the Committee may amend or discontinue the Plan or Stock Options granted thereunder at any time without shareholder approval provided that any amendment to the Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Plan or Stock Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

## 15. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of the Exchange. Any Stock Options granted prior to such approval shall be conditional upon such approval being given and no such options may be exercised unless such approval, if required, is given.

## 16. Common Shares Duly Issued

Common Shares issued upon the exercise of a Stock Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon payment thereof in accordance with the terms of the particular agreement and the issuance of Common Shares thereunder will not require a resolution or approval of the Board of Directors.

## 17. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan mean as follows:

- (a) "**Black-Out Period**" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of a Stock Option;
- (b) "**Corporation**" means Crew Energy Inc., and includes any successor corporation thereof;
- (c) "**Exchange**" means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (d) "**insider**", "**associate**" and "**affiliate**" have the meanings set forth in the Securities Act (Alberta);
- (e) "**Insider**" means an insider of the Corporation and any person who is an associate or affiliate of an insider of the Corporation;
- (f) "**Market Price**" means the closing trading price of the Common Shares on the Exchange on the last trading day immediately preceding the relevant date;
- (g) "**Outstanding Common Shares**" means the issued and outstanding Common Shares on a non diluted basis;
- (h) "**Plan**" means this share option plan of the Corporation, as the same may be amended or varied from time to time;
- (i) "**Security Based Compensation Arrangements**" means (i) stock option plans for the benefit of employees, insiders, Service Providers or any one of such groups; (ii) individual stock options granted to employees, Service Providers or Insiders if not granted pursuant to a plan previously approved by the Corporation's shareholders; (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances by the Corporation of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, Insider or Service Provider which is financially assisted by the Corporation by any means whatsoever;
- (j) "**Service Provider**" means a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of 12 months or more;

## 18. Effective Date

The Plan is effective from September 2, 2003 and is amended and restated as of May 22, 2008.