



Press Release – August 17, 2009

Crew Gold Announces Initiatives to Strengthen Balance Sheet through a Proposed Debt-to-Equity Conversion and Rights Offering

LONDON, United Kingdom: Crew Gold Corporation ("Crew" or "the Company") (TSX: CRU) (OSE: CRU) today announced initiatives to strengthen its balance sheet, including the proposed conversion into common shares (the "Debt-for-Equity Conversion") of approximately US\$148 million principal amount of bonds ("Bonds") issued by Crew and a rights offering (the "Rights Offering") pursuant to which the Company intends to issue subscription rights ("Rights") that will entitle holders of common shares to purchase up to 90 million common shares of Crew for an aggregate purchase price of NOK 90 million (collectively, the "Restructuring"). Crew has appointed Arctic Securities ASA ("Arctic Securities") as sole lead manager with respect to the Rights Offering and as financial advisor with respect to the Debt-for-Equity Conversion.

"As a result of previously announced delays in reaching full production capacity at the Lefa gold mine in Guinea, we believe that it is in the best interests of the Company to reduce its financial leverage," said Jens Ulltveit-Moe, Chairman. "This restructuring is designed to significantly improve the Company's capital structure and to provide the Company with greater flexibility to execute its business plan and explore strategic alternatives."

Following completion of the proposed Debt for Equity Conversion and the Rights Offering, the holders of the Bonds being converted into common shares (the "Bondholders") will hold, in the aggregate, 53% of the Company's outstanding common shares with existing shareholders and those who exercise Rights holding the balance. In recognition of the significant ownership interest to be acquired by Bondholders under the Restructuring, the Company will appoint four individuals, nominated by its principal bondholders, to its board of directors upon completion of the Restructuring, while increasing the number of directors from seven to eight. The four new directors will be Robert Byford, Mitchell Gropper, Gordon Lawson and Jan Oksum. The new directors will join Mr. Ulltveit-Moe, who will remain Chairman, Cameron Belsher, Richard Robinson and Tom Ruud.

Debt-for-Equity Conversion

Crew currently has approximately US\$99.8 million principal amount of senior secured bonds due March 30, 2011 (the "Senior Secured Bonds") outstanding, US\$193.5 million principal amount of unsecured convertible bonds due December 1, 2010 (the "Convertible Bonds") outstanding and US\$20.2 million principal amount of senior unsecured bonds due October 27, 2009 (the "Unsecured Bonds") outstanding.

Under the proposed Debt-for-Equity Conversion, Crew will convert into common shares:

- 20% of the outstanding principal amount of the Senior Secured Bonds (US\$20.0 million)
- 60% of the outstanding principal amount of the Convertible Bonds (US\$116.1 million)
- 60% of the outstanding principal amount of the Unsecured Bonds (US\$12.1 million)

Following completion of the proposed Debt-for-Equity Conversion, Crew will have approximately US\$79.9 million principal amount of Senior Secured Bonds, US\$77.4 million principal amount of Convertible Bonds and US\$8.1 million principal amount of Unsecured Bonds outstanding.

The aggregate number of common shares issued to Bondholders under the Debt-for-Equity Conversion will be the number of common shares required to be issued to ensure that the Bondholders have an aggregate ownership interest of 53% following completion of the Restructuring. As the number of common shares

required to be issued to Bondholders will depend on the number of common shares issued in the Rights Offering, the conversion price for the Debt-for-Equity Conversion will not be calculated until the Rights Offering is completed. Depending on the number of common shares issued in the Rights Offering, the conversion price for any portion of the bonds denominated in NOK will range from NOK 4.02 to NOK 4.61 and the conversion price for any portion of the Bonds denominated in US\$ will range from US\$0.67 to US\$0.76.

The proposed Debt-for-Equity Conversion is subject to the separate approval of (i) the holders of the Senior Secured Bonds, (ii) the holders of the NOK-denominated tranche of the Convertible Bonds, (iii) the holders of the US\$-denominated tranche of the Convertible Bonds and (iv) the holders of the Unsecured Bonds. In each case, the proposed transaction must be approved by 2/3 of Bondholders represented in person or by proxy at the applicable Bondholder meeting. Crew has entered into voting support agreements with the most significant holders of the Senior Secured Bonds and Convertible Bonds.

It is anticipated that a Notice to Bondholders of the meetings to be held to consider the Restructuring containing full details of the Restructuring will be mailed and posted on the Company's website early next week. The Bondholders' meetings are expected to be held prior to the end of August.

Rights Offering

Under the terms of the proposed Rights Offering, shareholders will receive 0.8417 Rights for each common share held. For every one Right held, holders of Rights will be entitled to subscribe for one common share at a subscription price of NOK 1.00 per share. Shareholders who exercise their subscription right in full will be granted an additional right to subscribe for any common shares which are not otherwise subscribed for pursuant to the Rights Offering. Common shares issued to shareholders who exercise their additional subscription right will be allocated on a pro rata basis.

If the Rights Offering is fully subscribed, an aggregate of 90 million common shares will be issued to holders of Rights. Under a guarantee agreement (the "Guarantee Agreement") which the Company will enter into with its largest shareholder Umoe AS, Umoe AS will subscribe for that number of common shares which is necessary to ensure that a minimum of 65 million common shares are issued pursuant to the Rights Offering. Accordingly, the aggregate number of common shares issued pursuant to the Rights Offering will range from 65 million to 90 million and the aggregate subscription proceeds will range from NOK 65 million to NOK 90 million. Proceeds from the Rights Offering will be used for capital expenditures at Lefa, including refurbishment of mobile equipment.

The Company anticipates that only those shareholders of the Company who are resident in the European Union and/or the European Economic Area will be permitted to participate in the Rights Offering. The Rights will be fully transferrable and will be listed on the Oslo Stock Exchange during the subscription period. The common shares underlying the Rights are expected to be listed for trading on both the Oslo Stock Exchange and the Toronto Stock Exchange, provided that any common shares issued pursuant to the exercise of Rights may not be transferred over the facilities of the Toronto Stock Exchange or to a Canadian resident for a period of four months and one day following the date of issuance. Provided that Rights that would otherwise have been issued to shareholders in ineligible jurisdictions have an economic value exceeding their estimated sales costs, Arctic Securities will be authorized to sell such Rights and distribute the proceeds of such sale to those shareholders.

Formal commencement of the Rights Offering is subject to Bondholder approval of the Debt-for-Equity Conversion and the approval of a rights offering prospectus by the Oslo Stock Exchange. The Company intends to file a rights offering prospectus with the Oslo Stock Exchange as soon as reasonably practical after the required Bondholder approvals are obtained.

Crew anticipates that the first business day after the required Bondholder approvals are obtained will be the last day that common shares are traded inclusive of Rights. Thus, the Company expects the common shares to be traded exclusive of Rights on the Oslo Stock Exchange from and including the second business day after the required Bondholder approvals have been obtained.

Ownership of Common Shares Following the Restructuring

Following completion of the Restructuring, funds managed by GLG Partners will in the aggregate own approximately 18.3% of Crew's outstanding common shares. It is anticipated that no other Bondholder will beneficially own, or exercise control or direction over, more than 4% of the Crew's outstanding common shares following completion of the Restructuring.

The balance of the common shares outstanding following completion of the Restructuring will be held by the existing shareholders of the Company and investors who participate in the Rights Offering. Depending on the

size of the Rights Offering, common shares issued and outstanding as of the date hereof will represent from 25.5% to 29.2% of the post-Restructuring common shares and common shares issued pursuant to the exercise of Rights will represent from 17.8% to 21.5% of the post-Restructuring common shares.

Umoe AS currently holds approximately 36.8% of the Company's issued and outstanding common shares. If the Rights Offering is fully subscribed and Umoe AS participates on a pro rata basis only, Umoe AS's ownership interest will be reduced to 17.3%. If the Rights Offering is less than fully subscribed and Umoe AS acquires shares pursuant to the additional subscription right or the Guarantee Agreement, the decrease in Umoe AS's ownership interest resulting from the Debt-for-Equity Conversion will not be as significant.

The closing of the Rights Offering and the Debt-for-Equity Conversion are subject to customary closing conditions and the receipt of necessary regulatory approvals, including the approval of the Oslo Stock Exchange and the Toronto Stock Exchange.

Information About Proposed New Directors

Robert Byford (Vancouver, Canada) recently retired from KPMG in Vancouver after 39 years with the firm, having served in various roles including as founding partner of its Corporate Finance Practice. He has advised clients from many industries on corporate finance matters including equity and debt capital raising, capital restructuring, mergers, buyouts and alliances. He is also a frequent speaker on corporate governance matters and disclosure controls and procedures, and has served in a number of other roles including as an elected governor of the Vancouver Stock Exchange and as an advisor to the British Columbia Securities Commission.

Mitchell Gropper (Vancouver, Canada) is lawyer and a partner with Farris in Vancouver having previously spent 28 years with McCarthy Tétrault (including serving as Managing Partner for two years) and prior to that having spent three years as a professor in the Faculty of Law at Western University in London, Ontario. He has an active practice, often giving advice to boards of directors and independent committees of boards of directors; corporations and directors in "going private" transactions; and mergers and acquisitions of public and private corporations. Mr. Gropper has served as a director of various public and private corporations.

Gordon Lawson (London, England) has worked in the City for over 30 years, including acting as head of equity proprietary trading and a member of the European Management Board at Salomon Brothers / Citigroup and then as a founding partner of Pendragon Capital. He is currently on the board of various funds and listed companies and an advisor to several hedge funds and funds of funds. He is also a Justice of the Peace and holds an MBA from Cranfield Business School.

Jan Oksum (Oslo, Norway) was President and CEO of Norske Skogindustrier ASA until 2006 having been with the company since 1979 in a variety of roles. He also serves and has served as a director of various other companies both listed and private.

William LeClair
Interim CEO

Safe Harbour Statement

Certain statements contained herein that are not statements of historical fact may constitute forward-looking statements and are made pursuant to applicable and relevant national legislation (including the Safe-Harbour provisions of the United States Private Securities Litigation Reform Act of 1995) in countries where Crew is conducting business and/or investor relations. Forward-looking statements include, without limitation, those with respect to (1) the completion of the Restructuring, (2) the process, terms and timing of the Restructuring, (3) the intended use of the proceeds of the Rights Offering, (4) the expected actions of third parties named in this press release, (5) the expected impact of the Restructuring on Crew's capital structure and (6) the expected benefits of the Restructuring. The words "expect", "anticipate", "will", "believe" and "may", and other similar expressions, are often used to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to be materially different from the events or results expressed or implied by such forward-looking statements. In evaluating these statements, prospective purchasers should specifically consider various factors that may cause actual events or results to be materially different from the events or results expressed or implied by such forward-looking statements. Risk factors that could impact the Restructuring or the expected benefits of the Restructuring include, without limitation, (1) the actual results of current exploration activities, (2) conclusions of economic evaluations, (3) changes in project parameters as plans continue to be refined, (4) possible variations in grade and ore densities or recovery rates, (5) failure of plant, equipment or processes to operate as anticipated, (6) accidents, labour disputes and other risks of the mining industry, (7) delays in obtaining government approvals or financing or in completion of development or construction activities and (8) risks and uncertainties existing in world capital markets generally. Although Crew has attempted to identify important factors that could cause actual events or results to differ from those described in forward-looking statements contained herein, there can be no assurance that the forward-looking statements will prove to be accurate as actual events or results could differ materially from those anticipated in such statements.

The material factors and assumptions used to develop forward-looking statements include, without limitation, (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, damage to equipment or otherwise, (2) continued development, operation and production at LEFA and Maco consistent with our current expectations, (3) foreign exchange rates among the currencies that Crew does business in being approximately consistent with current levels, (4) certain price assumptions for gold, (5) prices for electricity, fuel oil and other key supplies remaining consistent with current levels, (6) production forecasts meeting expectations, (7) the accuracy of our current mineral reserve and mineral resource estimates and (8) materials and labour costs increasing on a basis consistent with our expectations.

Except as may be required by applicable law or stock exchange regulation, the Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.
