



Press Release – October 28, 2009

Crew Gold Announces an Agreement in Principle with certain Bondholders to Restructure the Balance Sheet through a Proposed Debt-to-Equity Conversion

LONDON, United Kingdom: Crew Gold Corporation ("Crew" or "the Company") (TSX: CRU) (OSE: CRU) today announces an agreement in principle with certain bondholders, including the largest secured and unsecured bondholders and a majority of the 2009 bondholders, to strengthen its balance sheet through the proposed conversion into common shares (the "Debt-for-Equity Conversion" or "Restructuring") of approximately US\$235 million of debt at the Company level including approximately US\$225 million principal amount of bonds ("Bonds") issued by Crew. The agreement in principle is subject to settlement and execution of definitive agreements.

Crew previously announced a restructuring proposal on August 20, 2009 to strengthen its balance sheet. The bondholders in the NOK 122m October 27, 2009 senior unsecured bond (the "2009 bonds") rejected the restructuring in the subsequent bondholder meeting held September 1, 2009. As a result of this and the previously announced Corporate and LEFA Operational Updates, published October 12, 2009, Crew has continued the dialogue with its lenders with the aim of securing a new capital platform for the Company. Crew has achieved a new Restructuring proposal that will substantially reduce the Company's leverage and provide the Company with the flexibility to execute its business plan. The Company expects that the Restructuring will allow it to meet its current cash flow requirements with cash generated from operations.

Following completion of the proposed Debt for Equity Conversion, the holders of the debt being converted into common shares (the "Debt holders") will hold, in the aggregate, 95% of the Company's outstanding common shares. The effective exchange price for the shares so issued will be approximately 0.64 NOK per share.

Debt-for-Equity Conversion

Crew currently has approximately US\$101.7 million principal amount of senior secured bonds due March 30, 2011 (the "Senior Secured Bonds") outstanding, US\$195.2 million principal amount of unsecured convertible bonds due December 1, 2010 (the "Convertible Bonds") outstanding, US\$22.0 million principal amount of the 2009 bonds outstanding, and US\$10 million principal amount of other unsecured debt (together with the Convertible Bonds and the 2009 bonds, the "Unsecured Debt").

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

- 50% of the outstanding principal amount of the Senior Secured Bonds (US\$50.8 million)
- 80% of the outstanding principal amount of Unsecured Debt, including the Convertible Bonds (US\$156.2 million) and the 2009 Bonds (US\$17.6 million)

The maturity of the Senior Secured Bonds will further be extended by 6 months to September 30, 2011.

The remaining amount of the Unsecured Debt plus accrued interest on a 100% notional basis up to conversion date, shall have a maturity of September 30, 2012.

Following completion of the proposed Debt-for-Equity Conversion, Crew will have approximately US\$50.8 million principal amount of Senior Secured Bonds and US\$58.1 million of 2012 Bonds outstanding.

The proposed Debt-for-Equity Conversion is subject to the approval of the holders of the Senior Secured Bonds and holders of the Unsecured Debt. The holders of the 2009 Bonds intend to extend the grace period of the principal that was due today to allow time to conclude these arrangements.

It is anticipated that a notice to creditors 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 as soon as they are available, with the appropriate meetings being held as soon as possible thereafter.

The Debt-For-Equity conversion is also subject to the approval of shareholders at a meeting expected in mid-December.

The closing of the Debt-for-Equity Conversion is also subject to the receipt of necessary regulatory approvals, including the approval of the Oslo Stock Exchange and the Toronto Stock Exchange.

William LeClair
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, but are not limited to those with respect to (1) the Company's expectation that the restructuring will allow it to meet its current cash flow requirements with cash generated from operations, (2) the implementation and expected outcome of the proposed debt for equity conversion, (3) the shareholdings of debt holders following completion of the proposed debt for equity conversion, (4) the terms of the proposed debt for equity conversion, (5) the actions of holders of Crew's unsecured bonds, (6) the timing of the bondholders meeting and availability of the notice thereof, (7) the approval of the bondholders of the debt for equity conversion proposal, (8) the timing of the shareholders meeting to approve the debt for equity conversion proposal, and (9) the expected closing of the debt for equity conversion. Often, but not always, forward-looking statements can be identified by the use of words such as plans, expects, targets, budget, estimates, forecasts, intends, anticipates, believes, or equivalents or variation, including negative variation, of such words and phrases, or state that certain actions, events or results, may, could, would, might or will be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, (1) the Company's production rates, grades and the price of gold, (2) Crew's bondholders and shareholders may not approve the proposed debt for equity conversion, (3) the proposed debt for equity conversion may not be completed on the terms described in the press release or may not be completed at all, (4) the impact on Crew's balance sheet of the debt for equity conversion may differ from that described, (5) the actions of the bondholders may differ from what Crew currently anticipates, (6) the holders of the unsecured bonds may decide not to waive the maturity of the principal that was due today until the proposed restructuring is completed, and (7) Crew may not obtain all the approvals that are necessary for the proposed debt for equity conversion.

The material factors and assumptions used to develop forward-looking statements which may be incorrect, include, but are not limited to, (1) the Company's production rates, grades and the price of gold (2) the parties will carry out the terms of the agreements in principle, (3) the holders of the unsecured bonds will not take steps to enforce their right to repayment of the unsecured bonds until the proposed restructuring is completed, (4) Crew will obtain all necessary regulatory approvals for the debt for equity conversion, (5) Crew will hold the necessary bondholder and shareholder meetings within the time frames described, and (6) the terms of the proposed debt for equity conversion will not be modified prior to implementation.

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 the forward-looking statements contained herein 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.
