

# CROWN ENERGY AB (publ)

Välkommen till extra bolagsstämma  
25 mars 2013





# Förslag till dagordning

1. Stämmans öppnande
2. Val av ordförande vid stämman
3. Upprättande och godkännande av röstlängd
4. Val av justeringsmän
5. Godkännande av dagordning
6. Fråga om stämman blivit behörigen sammankallad
7. a) Beslut om konvertibelemission med företrädesrätt för aktieägarna b) Beslut om konvertibelemission med avvikelse från aktieägarnas företrädesrätt (option vid överteckning av företrädesemissionen)
8. Stämmans avslutande

# Bolagsstämmapresentation

- Ulrik Jansson, VD Crown Energy



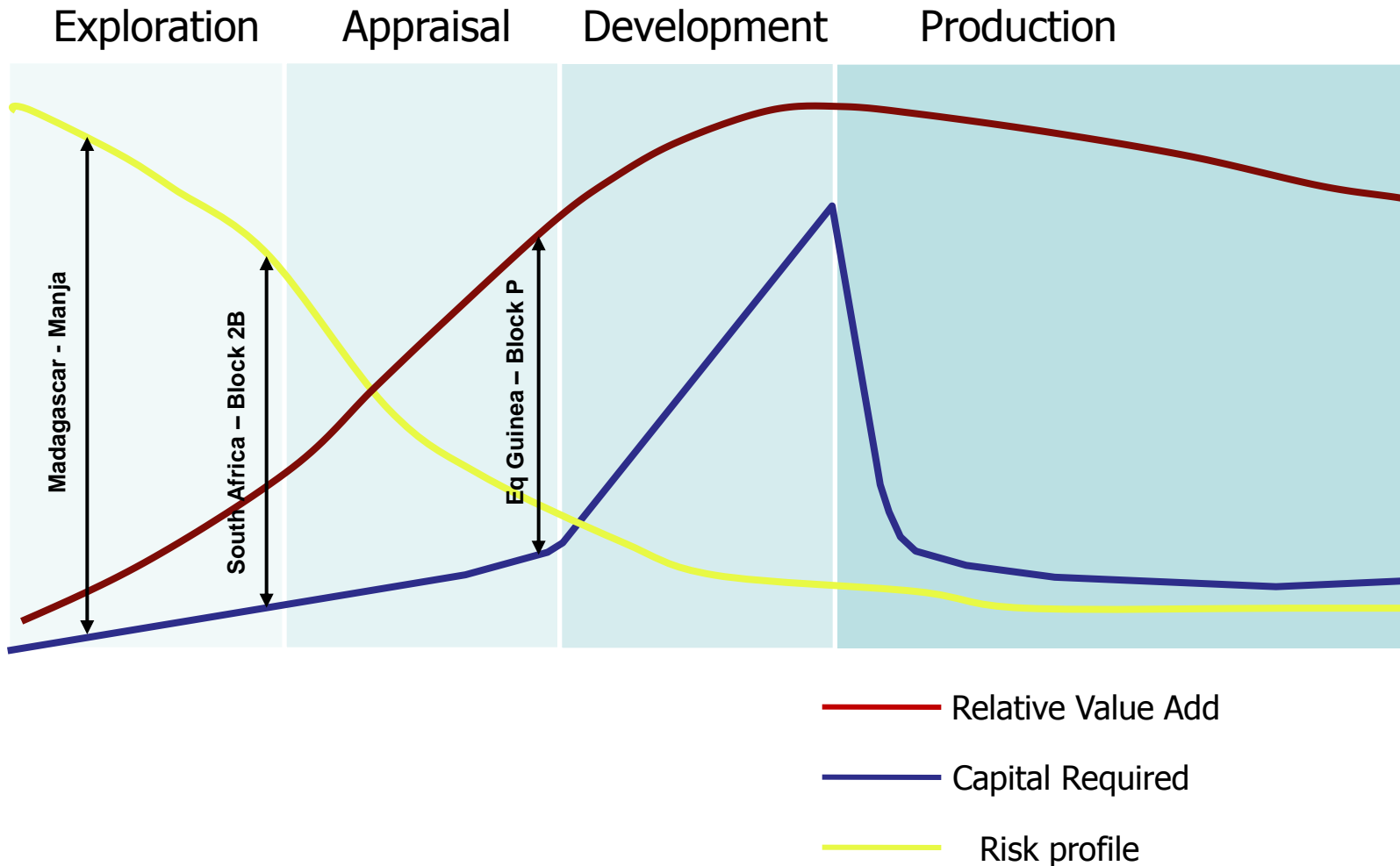


## Crown Energy Overview

- Crown Energy is an oil & gas exploration company; portfolio creation started in 2009
- Dedicated and very experienced team with extensive industry knowledge. Head office in Stockholm and technical office in London
- Asset Strategy – early stage E&P, focus on high resource potential and under-explored areas; manageable logistics; investment friendly environment and good fiscal terms
- Crown has invested in three high quality assets ranging from development to appraisal and exploration projects to comprise a balanced starting portfolio



# Value Creation in the E&P Sector With Balanced Risk Portfolio





## Crown Asset Strategy

- Early stage E&P
- Focus on areas which still have high resources potential and are not over-mature in exploration terms
- Locations must be logistically feasible for Crown to manage
- Investment environments which are small company friendly and not over-regulated, or with onerous fiscal terms

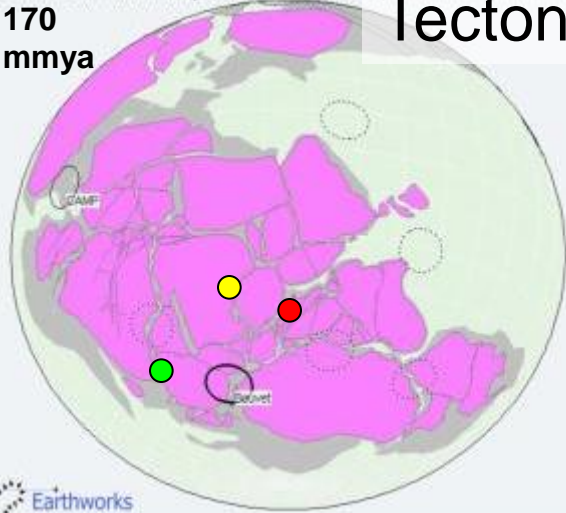




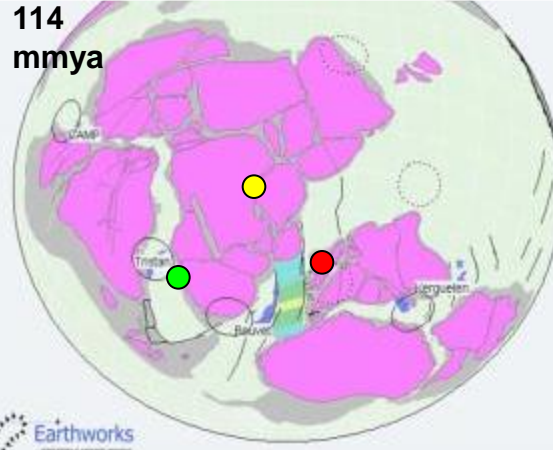


# Tectonic summary and comparison

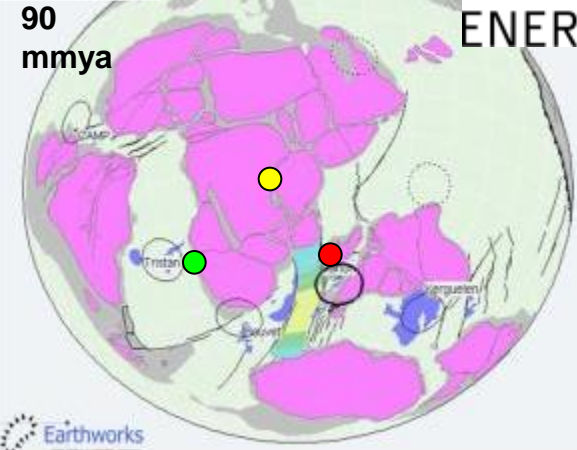
170 mmya



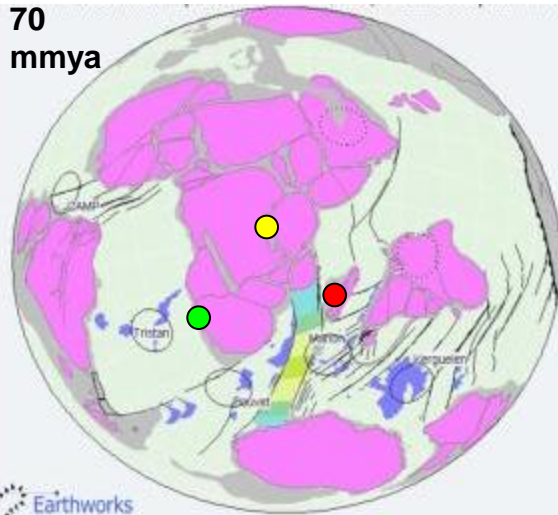
114 mmya



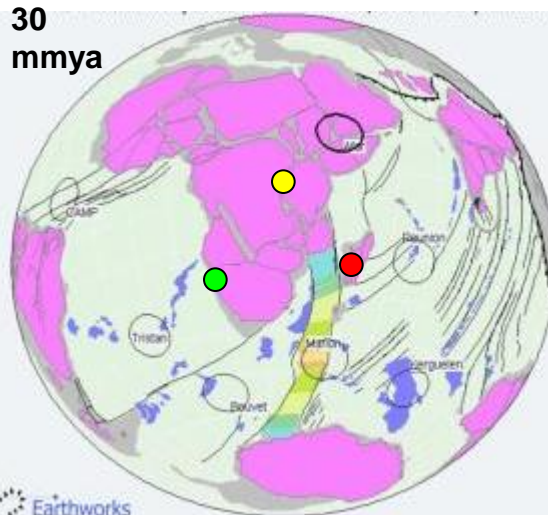
90 mmya



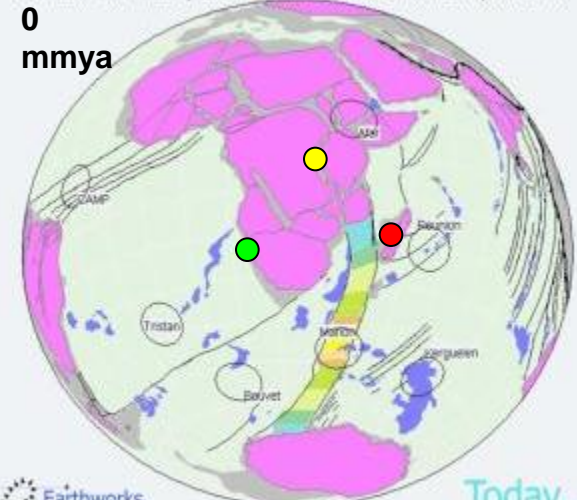
70 mmya



30 mmya



0 mmya



- Morondava Basin (Manja)
- East Africa Rift (Lake Albert)
- Orange River Basin (Block 2B)

In the early Jurassic (170 mmya) all areas were located on internal rifts in the Gondwanaland continent. By the early Cretaceous (114 mmya) Madagascar had pulled away and the Orange Basin had just begun to. Both were subsequently flooded by open marine sediments on top of the rifts. Lake Albert is currently the site of an active rift, which may eventually become a new ocean.

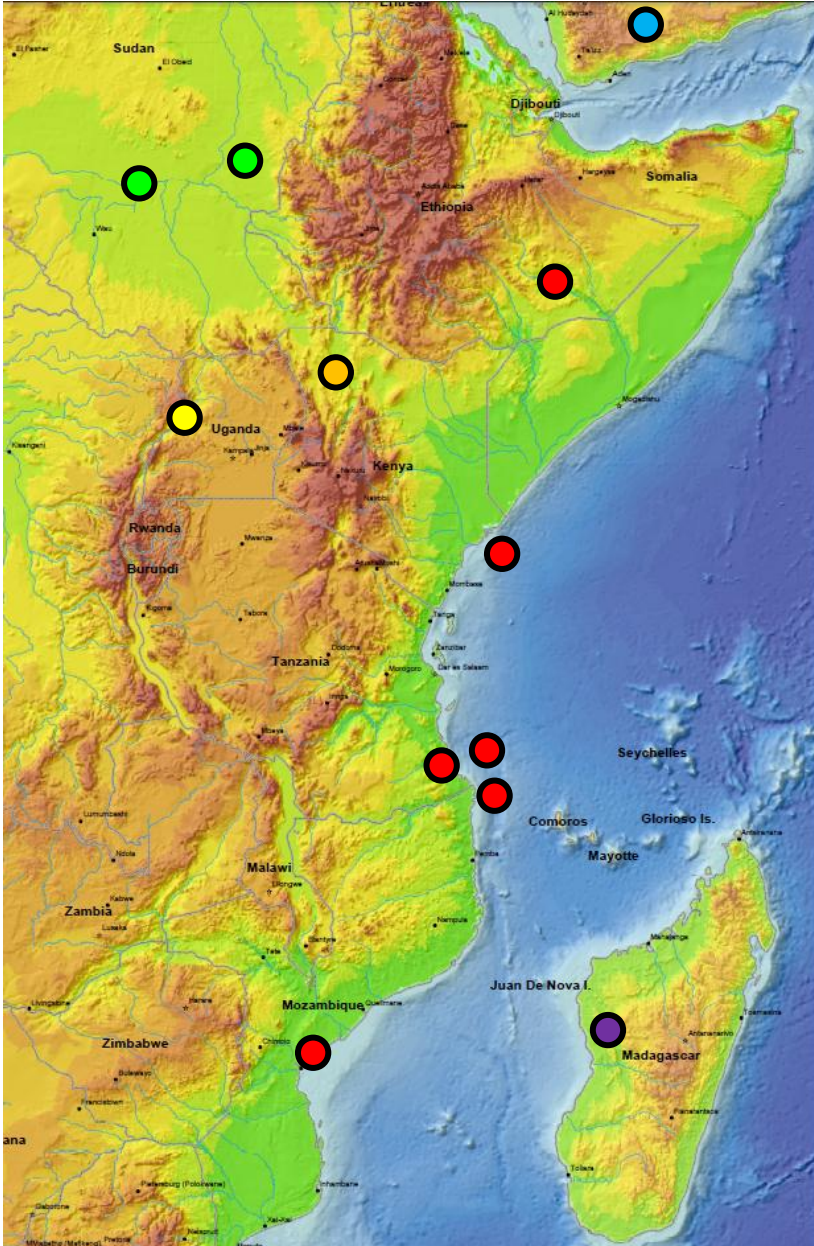
Today...



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# East Africa (2013)

## Oil & Gas prone basins



- Yemen (Marib/Masila Basins): 6 bill bo
- South Sudan (Muglad Basin): 2 bill bo  
● (Melut Basin): 5 bill bo
- Madagascar (Morondava Basin): 30 bill bo (STOIP – heavy oil)
- Uganda (Albertine Basin): 2 bill bo
- Kenya (Lokichar Basin): 1 bill bo (?)
- Ethiopia (Ogaden Basin): 3 TCF  
Kenya (offshore Lamu): <1 TCF (?)  
Tanzania (onshore): 1 TCF  
Tanzania (offshore, Rovuma): 40 TCF  
Mozambique (offshore Rovuma): 130 TCF  
Mozambique (onshore Zambezi): 3.5 TCF



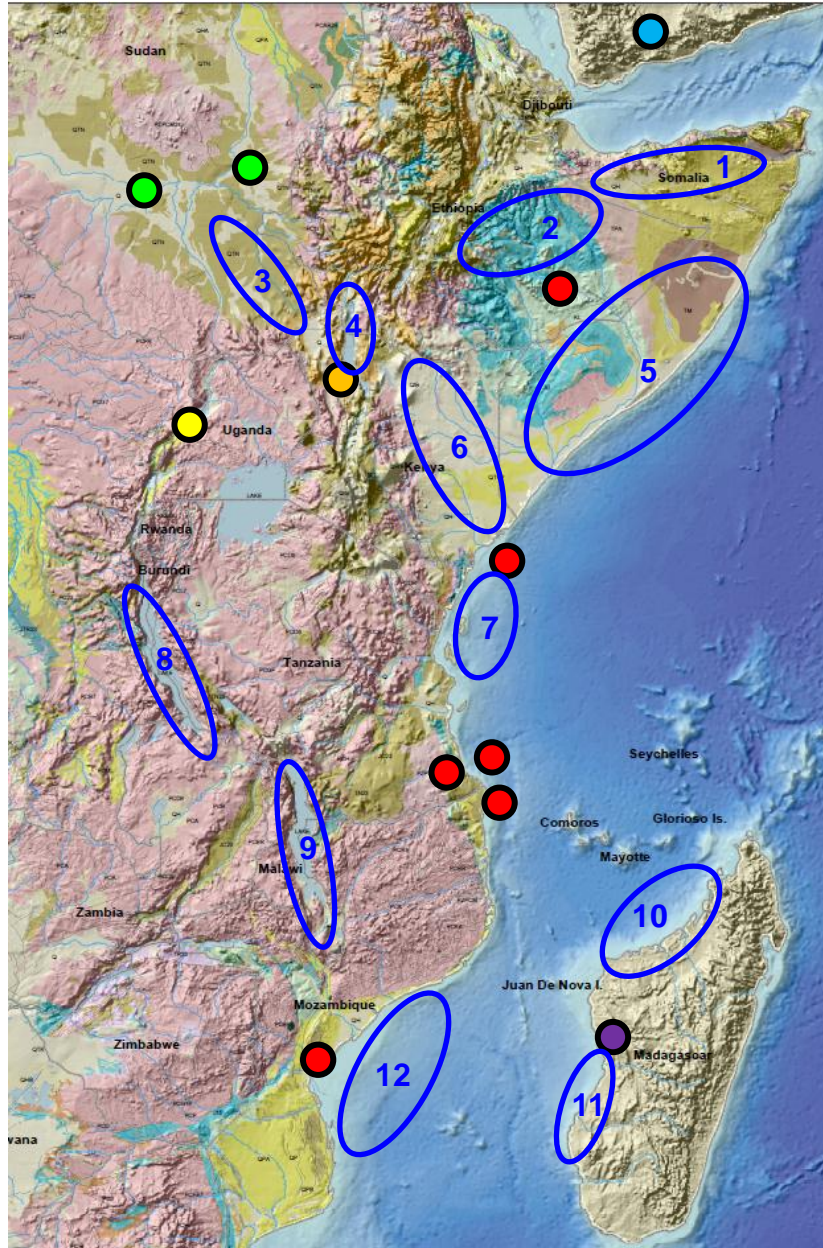


# East Africa (where next?)

The following basins are geological continuations or analogies to the new oil and gas plays or have been in political Force Majeure

From north to south:

1. Somaliland (Nogal – Dharoor)
2. Ethiopia (Ogaden)
3. South Sudan (Jonglei)
4. Kenya/Ethiopia (South Omo, etc)
5. Somalian (onshore + offshore)
6. Kenya (onshore Lamu/Anza)
7. Kenya (offshore Lamu)
8. DRC/Burundi/Tanz (Lake Tanganyika)
9. Malawi/Tanz (Lake Malawi)
10. Madagascar (Majunga)
11. Madagascar (Morondava)
12. Mozambique (offshore Zambezi)





# Project Portfolio

## SOUTH AFRICA (Block 2B):

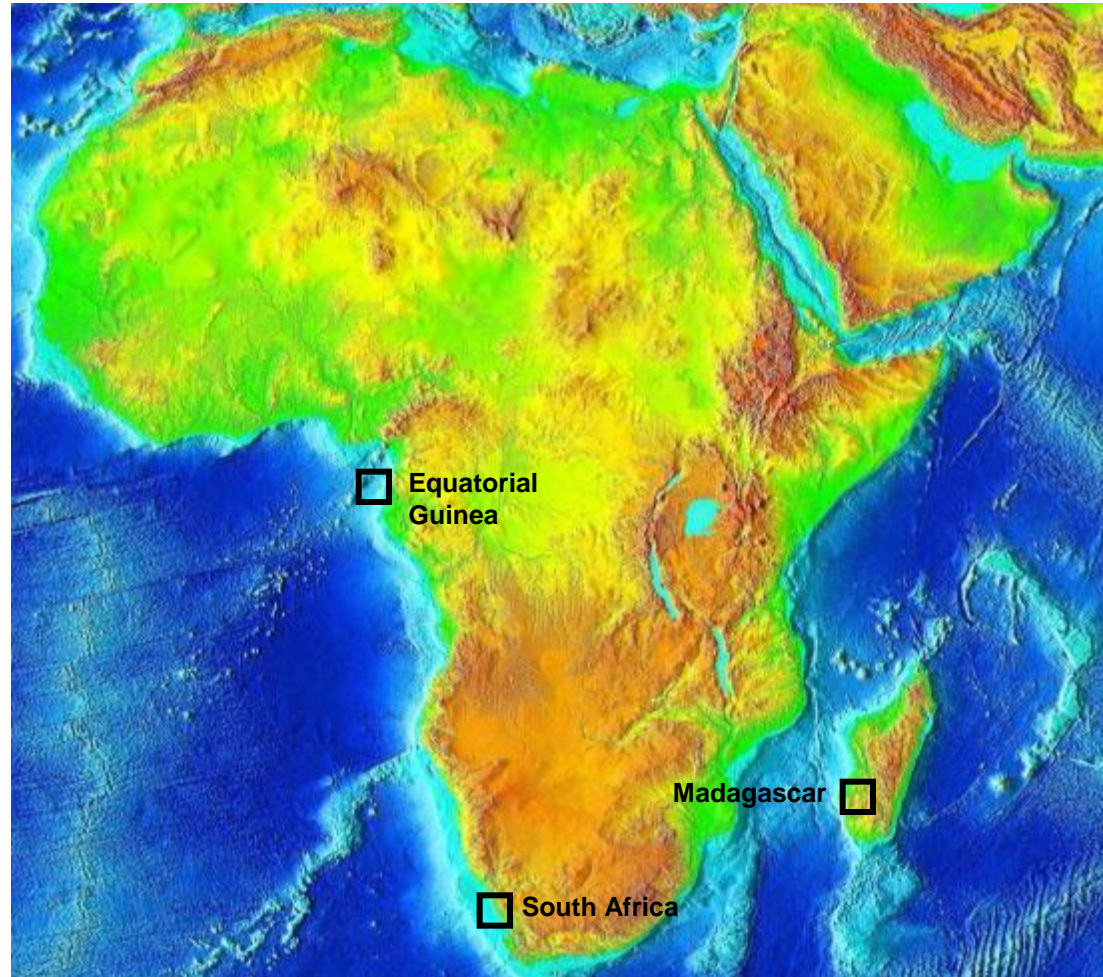
- Contains the AJ-1 oil discovery
- Total mid-case prospective unrisks resources of 451 mmbo in 10 mapped prospects and leads (NSAI CPR report)
- Only oil-prone basin south of Angola
- Seismic start January 2013

## MADAGASCAR (Manja Block 3108):

- North Manja exploration prospect, mid case prospective unrisks resources of 1 071 mmboe
- Largest undrilled structure onshore Madagascar

## EQUATORIAL GUINEA (Block P):

- Contains the Venus Oilfield
- 18 mmbo ready-to-develop
- 142 mmbo exploration
- Exceptional quality reservoir







## Prospective Resources Summary (CPR of total licence by NSAI, June 2012)

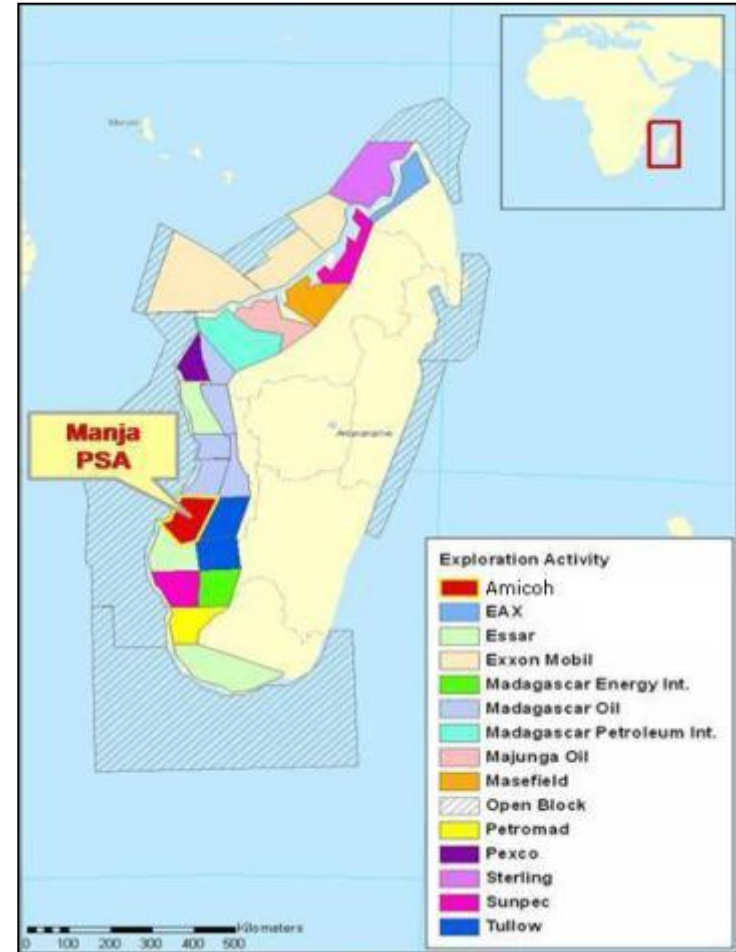
PROSPECT OR LEAD	RESERVOIR	PROSPECTIVE RESOURCE ESTIMATE GROSS UNRISKED (mmbo)			CROWN WI*	UNRISKED	RISK (COS)	RISKED
		MINIMUM	BEST	MAXIMUM		NET BEST ESTIMATE		NET BEST ESTIMATE
Prospects:								
AJ-1 (discovery)	E. Cret	5,4	7,6	10,7	40,5%	3,1	0,55	1,7
Humpback	E. Cret	41,2	66,7	105,3	40,5%	27,0	0,19	5,1
Bryde	E. Cret	25,7	41,8	66,9	40,5%	16,9	0,19	3,2
Minke	E. Cret	30,8	51,2	82,1	40,5%	20,7	0,14	2,9
Pre-Lacustrine	E. Cret	34,5	54,3	84,6	40,5%	22,0	0,15	3,3
Bottlenose	Frac Base	6,4	10,9	18,5	40,5%	4,4	0,06	0,3
Dusky	Frac Base	3,2	5,1	8,3	40,5%	2,1	0,06	0,1
<b>Sub-Total:</b>		<b>147</b>	<b>238</b>	<b>376</b>		<b>96</b>		<b>17</b>
Leads:								
N Graben 1	E. Cret	48,4	69,8	100,8	40,5%	28,3	0,1	2,8
N Graben 2	E. Cret	40,7	59,5	86,3	40,5%	24,1	0,1	2,4
N Graben 3	E. Cret	58,4	83,6	119,5	40,5%	33,9	0,1	3,4
<b>Sub-Total:</b>		<b>148</b>	<b>213</b>	<b>307</b>		<b>86</b>		<b>9</b>
<b>Overall Total:</b>		<b>295</b>	<b>451</b>	<b>683</b>		<b>182,5</b>		<b>25</b>

\*WI is current Crown equity (subject financing and regulatory approvals), but does not reflect Afren's right to earn a further 25% by carrying Crown for up to two wells and PetroSA's right to come in for 10% at the development stage.

Prospects and leads used for portfolio valuation  
Best cases used for net and risked columns



# Amicoh Madagascar, Manja (3108) Block



Permit area 7,180 km<sup>2</sup> (after 35% relinquishment)



# Probabilistic Reserves Estimates (MC)

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PROSPECT	RESERVOIR	RESERVES					
		OIL CASE (mmbo)			GAS CASE (bcf)		
		MINIMUM	MID	MAXIMUM	MINIMUM	MID	MAXIMUM
Ambatolava	Isalo	97	350	1 271	859	2 897	10 117
Sifaka	Isalo	129	660	3 421	583	2 911	14 633
Sub-Kazo	Isalo	15	61	257	126	494	1 971
<b>Overall Total:</b>		<b>241</b>	<b>1 071</b>	<b>4 949</b>	<b>1 568</b>	<b>6 302</b>	<b>26 721</b>

- Oil and gas cases run as alternative scenarios.
- Prospects could also be mix of the two.
- Associated gas volumes not shown for Oil case.

<b>RISK ANALYSIS:</b>	Reservoir	Structure	Seal	Source	Timing	Total
Ambatolava	60%	90%	60%	70%	70%	<b>16%</b>
Sifaka	50%	100%	40%	70%	50%	<b>7%</b>
Sub-Kazo	50%	70%	60%	70%	70%	<b>10%</b>

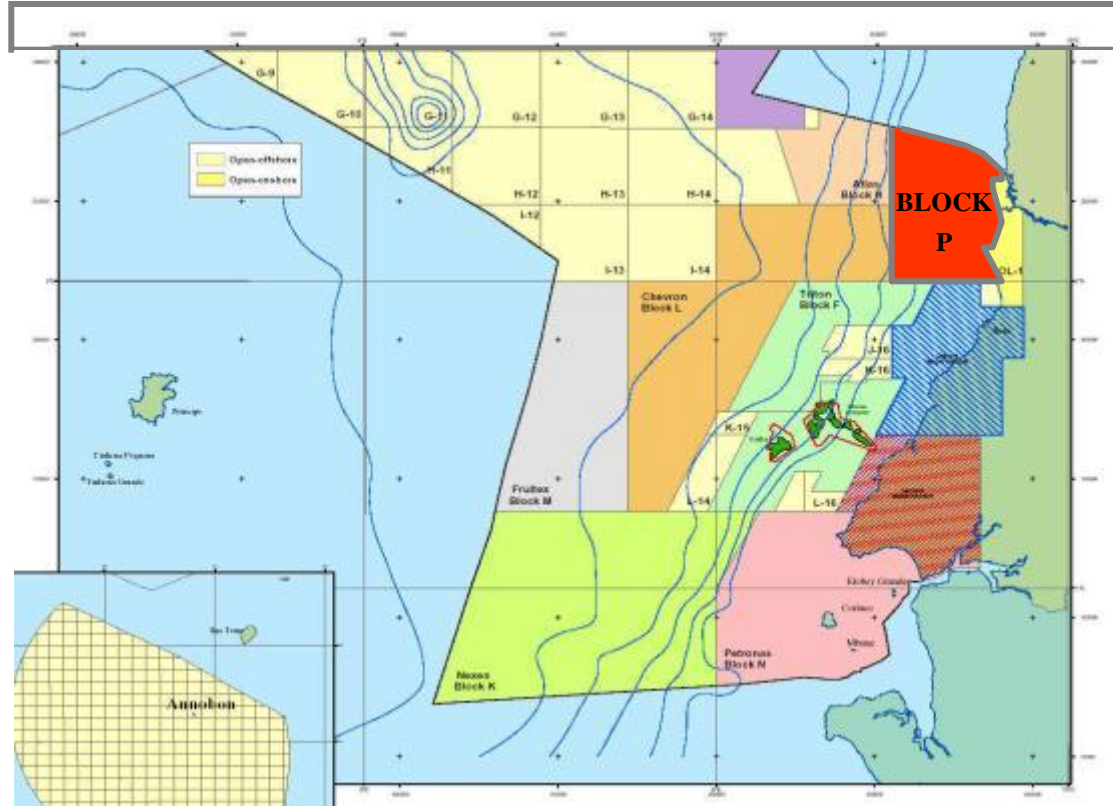




# Equatorial Guinea, Block P, Location: Rio Muni Basin

Crown Energy	5%
Vaalco Energy	31%
GE Petrol	57%
Atlas Petroleum	7%
<b>Block Area (PDA):</b>	250 km <sup>2</sup>
<b>Exploration Right:</b>	Formal award signature date 3 April 2003 ( in PSC) (ratified 17-Apr-2003)
<b>Current position:</b>	PSC Amendment agreed extending initial exploration period to late 2012
<b>Proposed programme:</b>	submit plan of development for Venus Field
<b>All work commitments completed</b>	

18 mmbo P2 discovery – Venus field  
142 mmbo prospective resources





# Crown Portfolio Valuation (risked reserves CPR method)

**CROWN ENERGY**

Crown Energy Portfolio								EMV calculation: $(NPV * COS) - (1 - COS) * \text{Dry Hole Cost}$			
Value analysis by prospect		Exploration valuations assume \$90/bo flat at NPV 10									
COUNTRY	BLOCK	100% RESOURCES (mmboe)	CROWN EQUITY* (%)	CROWN NET RESOURCES (mmboe)	UNDEVELOPED RESOURCES VALUE (\$/BOE)	NET RESOURCES VALUE TO CROWN	RISK (%)	CROWN NET RESOURCES (mmboe)	NET RISKED RESOURCES VALUE TO CROWN (\$mm)	UNCARRIED DRILLING COSTS NET TO CROWN* (\$mm)	NET RISKED EMV (\$mm)
						(\$mm)		(\$mm)	(\$mm)		
Eq Guinea	P Block (P50)	18	5%	0,9	\$10,0	9	100%	0,9	9	0	9
Eq Guinea	P Block (expl.)	142	5%	7,1	\$10,0	71	7%	0,5	5	0	5
South Africa	Block 2B*	435	22%	96	\$16,0	1531	14%	13	216	46	176
Madagascar	Manja 108*	1071	50%	536	\$8,0	4284	10%	54	432	40	396
<b>TOTAL:</b>		<b>1524</b>		<b>632</b>		<b>5324</b>		<b>68</b>	<b>657</b>	<b>86</b>	<b>587</b>

**\*Notes:**

- Crown Equity:** On South Africa it is assumed that Afren will exercise their option to increase their equity to 50% and that PetroSA will enter at the development stage for 10%.
- On Madagascar,** it is assumed that farm-in partner will take 50% of Crown's present 100% equity.
- Block 2B:** Only the top 3 prospects and leads have been considered
- Manja:** Only the top 3 (Isalo) prospects and have been considered
- Uncarried drilling costs:** On Block 2B, Crown is carried for the first 2 wells by Afren and pays its 22% share of the other 6 wells (\$17.5mm net/well)



# Tigris Oil – Iraq – Salah Aldeen Region

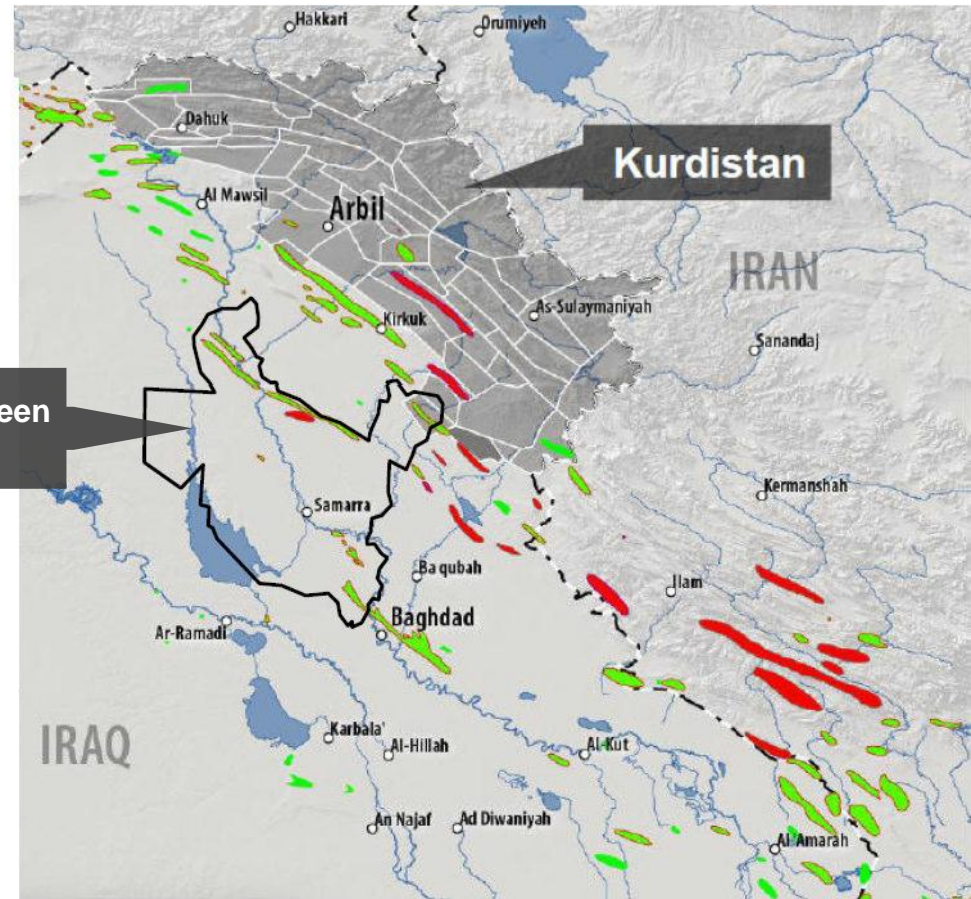
- Crown Energy holds a six year option to acquire 100% of Tigris Oil, a company with a PSA in Salah Aldeen Region in Iraq, next to Kurdistan
- Key Commercial Terms:
  - Interest Production Sharing Agreement
  - Contractor 60%
  - Regional Government 40%
- Exploration Period
  - Initial term of 10 years divided in 2 sub periods:
  - First Sub Period: 7 years
  - Second Sub Period: 3 years
- Development Period
  - Commercial Discoveries of (a) Crude Oil, (b) Associated Natural Gas and (c) Non Gas entitles to a Development Period with a term of:
  - 20 years with an automatic right to a 5 year extension



# Tigris Oil – Iraq – Salah Aldeen Region

- Salah Aldeen Region
  - Facts:
  - Population: Approximately 1,1 million people
  - Area: Approximately 24 000 km
  - Capital city: Tikrit
  - Largest city: Samarra
  - Language: Arabic
  - Currency: Iraqi Dinar
- 
- Oil in the region
  - 4bn barrels of oil in place in the Hamrin field
  - Probability of billion barrel discoveries is very high
  - Region is heavily underexplored
  - May hold over 20bn barrels
  - No current production

Salah Aldeen  
Region

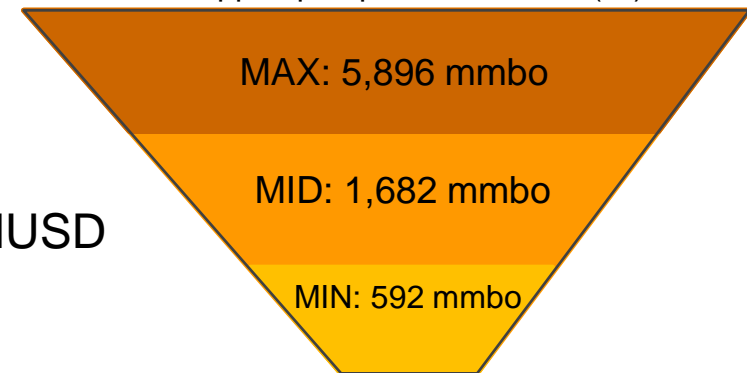




# Crown Energy Summary

- Limited downside – the farm out interest in South Africa Block 2B underpins current market cap
- Significant upside potential
  - Madagascar onshore – both oil and gas potential, drilling underway
  - South Africa – fully carried 3D seismic and drilling costs to a value of up to 80 MUSD
  - Equatorial Guinea – proven reserves
- Experienced and skilled management
- Africa is still underexplored and therefore offers great opportunities for exploration

Prospective Resources (**gross**, unrisks)  
All mapped prospects and leads (oil)





*Förslag under punkt 7 a): Beslut om konvertibelemission  
med företrädesrätt för aktieägarna*

Styrelsen föreslår att extra bolagsstämma beslutar om emission av högst 6 438 757 konvertibler.

Följande huvudvillkor gäller:

1. Rätt att teckna konvertiblerna ska tillkomma de aktieägare som är införda i den av Euroclear Sweden AB förda aktieboken för bolaget den 5 april 2013.
2. Fyra (4) befintliga aktier ger rätt att teckna en (1) konvertibel.
3. Teckningskursen är 10 kronor per konvertibel vilket motsvarar konvertibelns nominella belopp och innebär en total emissionslikvid om maximalt 64 387 570 kronor före avdrag för emissionskostnader.
4. Konvertibellånet löper på tre (3) år med en årlig ränta på tio (10) procent som betalas årligen i efterskott.
5. Konvertibelinnehavare ska två gånger per år ha rätt att konvertera konvertiblerna till nyemitterade aktier i bolaget. Konverteringskursen har fastställts till 10 kronor. Vid full konvertering kan aktiekapitalet komma att öka med maximalt 189 296,47 kronor.
6. Konvertiblerna avses tas upp till handel på NGM Equity.
7. Syftet med emissionen är att finansiera förvärvet av del av licensen Block 2B i Sydafrika.



*Förslag under punkt 7 b): Beslut om konvertibelemission med avvikelse från aktieägarnas företrädesrätt (option vid överteckning av företrädesemissionen)*

Styrelsen föreslår att extra bolagsstämma beslutar om emission av högst 1 000 000 konvertibler.

Följande huvudvillkor gäller:

1. Rätt att teckna konvertiblerna ska, under förutsättning av och i den utsträckning företrädesemissionen under punkt 7 a) ovan övertecknas, tillkomma de vilka tecknat men inte tilldelats konvertibler i företrädesemissionen. Skälet till avvikelsen från aktieägarnas företrädesrätt är att, vid överteckning i företrädesemissionen, tillgodose en kraftigare efterfrågan än den ursprungligen bedömda.
2. Teckningskursen är 10 kronor per konvertibel vilket motsvarar konvertibelns nominella belopp och innebär en total emissionslikvid om maximalt 10 000 000 kronor före avdrag för emissionskostnader. Vid full konvertering kan aktiekapitalet komma att öka med maximalt 29 399,54 kronor.
3. Villkoren för den riktade konvertibelemissionen är i övrigt desamma som i företrädesemissionen.

# Stämmans avslutande

