



Notice of the annual general meeting 2015 in Crown Energy (publ)

The shareholders of Crown Energy AB (publ), reg. no. 556804-8598, (the “**Company**”) are hereby invited to the annual general meeting to be held on Wednesday 13 May 2015 at 10.00 at the Company’s office at Norrlandsgatan 18 in Stockholm, Sweden.

Registration and notification

Shareholders who wish to attend the general meeting must:

- i. on the record day, which is Thursday 7 May 2015, be registered in the share register maintained by Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee must no later than on Thursday 7 May 2015 temporarily register the shares in their own name in order to be entitled to participate at the general meeting; and
- ii. notify the Company of their participation at the general meeting no later than Thursday 7 May 2015. Notice of participation at the general meeting shall be sent by e-mail to info@crownergy.se, by telephone on +46 8 400 207 20, by facsimile to +46 8 400 207 25 or by regular mail to Crown Energy AB (publ), Norrlandsgatan 18, SE-111 43 Stockholm, Sweden. Upon notification, the shareholders should state their full name, personal identification number or corporate registration number, address and telephone number, and, where applicable, details of representative, proxy holder and advisor. A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the certificate of registration or corresponding document (“**Registration Certificate**”) shall be enclosed. The proxy in original and the Registration Certificate, if any, shall well before the meeting be sent to the Company by post (at the address above). A proxy form will be available on the Company’s website www.crownergy.se.

The proposed agenda

1. Opening of the general meeting and election of chairman of the general meeting.
2. Appointment of keeper of the minutes.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to certify the minutes.
6. Determination of whether the general meeting has been duly convened.
7. Presentation of the annual report and the audit report and the consolidated financial statements and the audit report for the group.
8. Resolutions regarding:

- a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
 - b) allocation of the Company's profit or loss according to the adopted balance sheet; and
 - c) discharge from liability for the board members and the managing director.
9. Determination of the number of ordinary directors and deputy directors of the board as well as auditors and deputy auditors.
 10. Determination of remuneration to the board of directors and the auditor.
 11. Election of ordinary directors, deputy directors, if any, chairman of the board of directors as well as auditors and deputy auditors, if any.
 12. Resolution regarding guidelines for remuneration to senior executives.
 13. Resolution to amend the Company's articles of association.
 14. Resolution regarding share issuance of shares, with deviation from the shareholders' preferential rights.
 15. Resolution regarding share issuance of shares, with deviation from the shareholders' preferential rights.
 16. Resolution regarding share issuance of shares.
 17. Closing of the general meeting.

Proposal for resolutions

Item 1: Election of chairman of the annual general meeting

Shareholders representing more than app. 55 % of all the shares and votes in the Company propose that Joakim Falkner, attorney at law, at Baker & McKenzie Advokatbyrå is appointed as chairman of the annual general meeting.

Item 8(b): Resolution regarding allocation of the Company's profit or loss according to the adopted balance sheet

The board of directors proposes that all funds available to the Company shall be carried forward.

Items 9-11: Determination of the number of ordinary directors, deputy directors, auditors and deputy auditors, determination of remuneration to the board of directors and the auditor as well as election of ordinary directors and deputy directors, if any, chairman of the board of directors as well as auditor and deputy auditors, if any.

Shareholders representing more than app. 55 % of all the shares and votes in the Company propose the following with regard to items 9, 10 and 11:

- the number of directors elected at the general meeting shall be five ordinary directors without deputy directors;
- the number of auditors shall be one auditing firm without a deputy auditor;
- remuneration to the board of directors shall comprise to an amount of SEK 150,000 to the chairman of the board and to an amount of SEK 75,000 to each of the non-employed directors;
- remuneration to the auditor shall be paid in accordance with approved invoices;
- the current directors Alan Simonian, Andrew Harriman and Ulrik Jansson shall be re-elected;
- Nick Jonsson and Andreas Forssell are elected as new directors;

- Alan Simonian shall be re-elected as chairman of the board of directors; and
- Öhrlings PricewaterhouseCoopers AB is re-elected as the Company's auditor for the period until the end of the annual general meeting 2019. Öhrlings PricewaterhouseCoopers AB has declared that Peter Burholm will remain as responsible auditor.

Item 12: Resolution regarding guidelines for remuneration to senior executives

The board of directors proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives. The guidelines have not been amended since last year.

The board of directors shall be entitled to deviate from the guidelines in an individual case if there are special reasons for it. In such event information regarding this and the reason for the deviation shall be presented at the next annual general meeting.

Salary and other benefits:

Remuneration to the managing director and other senior executives shall comprise of a base salary in line with current market practice. Benefits, if any, shall only be a limited part of the remuneration.

Pension:

Pensions to the managing director and other senior executives shall be fee determined which means that the earnings are made through the parent Company's yearly premium payments. The managing director's pension contributions shall amount to 35 % of the salary each year. Pension to other senior executives shall follow the ITP plan.

Severance payment:

Upon termination by the Company, severance pay shall be paid to senior executives with an amount corresponding to a maximum of 24 months' salary, including base salary during the notice period.

Incentive programs:

Resolutions on share and share-price related incentive programs for senior executives should be resolved by the general meeting. Share and share-price related incentive programs should be designed with the aim of achieving greater community of interest between the participating senior executive and the Company's shareholders. Programs that involve the acquisition of shares shall be designed so that one's own shareholding in the Company is promoted. The vesting period, or the time from the conclusion of the contract until the shares may be acquired, shall not be less than three years. Directors, who are not employed by the Company, shall not participate in programs aimed at management or other employees. Stock options shall not be included in programs directed to the board of directors.

Work carried out by a director in addition to the board work:

The members of the board of directors may in special cases be remunerated for services carried out within their specific area of expertise, which do not constitute board work. For such services, market compensation shall be paid, which is subject to approval by the board and to information at the annual general meeting.

Item 13: Resolution to amend the Company's articles of association

The board of directors proposes that limits for the Company's share capital in 4 § of the articles of association are amended so that 4 § will have the following amended wording:

"4 § Share Capital

The share capital shall be not less than SEK 1,200,000 and not more than SEK 2,400,000."

The board of directors further proposes that limits for number of shares in 5 § of the articles of association are amended so that 5 § will have the following amended wording:

"5 § Number of shares

The number of shares in the company shall be not less than 50,000,000 shares and not more than 100,000,000 shares."

The articles of association are amended to enable the proposed issuances under items 14-16 below.

Item 14: Resolution regarding share issuance of shares, with deviation from the shareholders' preferential rights

The board of directors proposes that the annual general meeting resolves to issue a maximum of 25,954,785 shares, with deviation from the shareholders preferential rights, which may result in an increase of the Company's share capital of a maximum of app. SEK 763,059 (the "**First Directed Issuance**").

In general the following terms shall apply to the First Directed Issuance:

- The right to subscribe for the shares shall, with deviation from the shareholders' preferential right, be attributed to the former holders of convertibles that have sold their convertibles of series KV 1 2013/2016 and/or KV 2 2014/2016 to the Company.
- Subscription for shares shall be made on a special subscription list from and including 13 May 2015 to and including 15 May 2015.
- The Company's debts to the subscribers are set out in the board of directors' full proposal. The subscribers may pay for their subscribed shares by set-off against such debts to the extent set out in the board of director's full proposal. Any remaining part of the debts shall be settled by the Company in cash. The set-off shall be considered effective upon subscription.
- On 13 April 2015, the board of directors made an offer to purchase convertibles of series KV 1 2013/2016 and KV 2 2014/2016, which *inter alia* was conditioned on a share issuance being directed to the holders of the convertibles who accepted the offer. According to the terms for the convertibles, the holders of the convertibles had the right to convert the convertibles to shares alternately call for repayment of each respective loan in accordance with each convertible's terms. By the board of directors' offer to purchase convertibles and proposal that the general meeting by the First Direct Issuance set-off the holders of convertibles' claims against newly issued shares, the board of directors believe that the Company's financial situation is improved. The reason for the

deviation from the shareholders' preferential right is to compensate the former holders of convertibles who have sold their convertibles of series KV 1 2013/2016 and/or KV 2 2014/2016 to the Company. The First Directed Issuance shall be made by set-off against existing claims on the Company which the former holders of convertibles have received by selling convertibles. By the First Directed Issuance the former holders of convertibles consequently are granted the right to subscribe for as many shares in the Company that they otherwise would have been entitled to subscribe for on a later point of time under the convertible at the same time as the Company may set-off its debts.

- The subscription price for the new shares is SEK 3.03 per share and is based on the same terms as in the Issuance with reduction for accumulated interest for the latest interest period.
- The First Directed Issuance is conditioned on the articles of association being amended in accordance with item 13 above.

Item 15: Resolution regarding share issuance of shares, with deviation from the shareholders' preferential rights

The board of directors proposes that the annual general meeting resolves to issue a maximum of 3,903,904 shares, with deviation from the shareholders' preferential rights, which may result in an increase of the Company's share capital of a maximum of app. SEK 114,773 (the "**Second Directed Issuance**").

In general the following terms shall apply to the Second Directed Issuance:

- The right to subscribe for the shares shall, with deviation from the shareholders' preferential right, be attributed to Comtrack Ventures Ltd and Alan Simonian.
- Subscription for shares shall be made on a special subscription list from and including 13 May 2015 to and including 15 May 2015.
- The Company's debts to the subscribers are set out in the board of directors' full proposal. The subscribers may pay for their subscribed shares by set-off against such debts to the extent set out in the board of director's full proposal. Any remaining part of the debts shall be settled by the Company in cash. The set-off shall be considered effective upon subscription.
- The reason for the deviation from the shareholders' preferential right is that the issuance of shares shall be made by set-off against existing loans.
- The subscription price for the new shares is SEK 3.33 per share and is based on the estimated market value of the shares with reduction for a share issuance discount that is deemed to be market oriented.
- The Second Directed Issuance is conditioned on the articles of association being amended in accordance with item 13 above.

Item 16: Resolution regarding share issuance of shares

The board of directors proposes that the annual general meeting resolves to issue a maximum of 19,367,367 shares, which may result in an increase of the Company's share capital of a maximum of app. SEK 569,392 (the "**Issuance**").

In general the following terms shall apply to the Issuance:

- The right to subscribe for new shares shall be attributed, with preferential right, to the shareholders who are recorded in the

share register kept by Euroclear Sweden AB for the Company on the record date 26 May 2015.

- The shareholders shall receive one subscription right for three shares held on the record date. One subscription right entitles the holder to one new share.
- Subscription for shares based on subscription rights shall be made by cash payment during the period from and including 29 May 2015 to and including 12 June 2015.
- Application for subscription for shares not based on subscription rights shall be made on a special application form during the period from and including 29 May 2015 to and including 12 June 2015. Payment for subscribed shares not based on subscription rights shall be made in cash within three business days after the issuance of contract notes evidencing the allotment.
- The subscription price for the new shares is SEK 3.33 per share and is based on the estimated market value of the shares with reduction for a share issuance discount that is deemed to be market oriented.
- In the event not all of the shares are subscribed for pursuant to preferential rights, the board of directors shall, within the limits of the Issuance's maximum amount, determine if, and the extent to which, shares not subscribed for pursuant to preferential rights shall be allotted. Any such allocation shall be made to those who subscribed for shares pursuant to preferential rights, irrespective of whether or not the subscriber was a shareholder at the time of the resolution and, in the event of oversubscription, primarily made to those who subscribed for shares with subscription rights and who wish to subscribe for additional shares, pro rata in proportion to their subscription with subscription rights. In the event that they cannot receive full allocation, allotment shall be made in proportion to the number of subscription rights that each one has exercised for subscription of shares and, to the extent this is not possible, by drawing of lots. Secondly, allotment shall be made to those who have subscribed for shares without preferential rights. In the event that they can not receive full allocation, allotment shall be made in proportion to the number of shares that each one has subscribed for and, to the extent this is not possible, by drawing of lots.
- The Issuance is conditioned on the articles of association being amended in accordance with item 13 above.

Number of shares and votes

The total numbers of shares and votes in the Company on the date of this notice are 28,243,411. Each share represents one vote. Only one class of shares exists. The Company does not hold any own shares.

Majority rules

The resolution in accordance with item 13 is only valid if supported by shareholders holding not less than two thirds of both the shares voted and of the shares represented at the general meeting

Resolutions in accordance with items 14 and 15 are only valid if supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting since parts of the issuances were directed to related executives subject to Ch. 16 of the Swedish Companies Act.

Miscellaneous

Copies of the accounting documentation, the auditor's report, proxy form and complete proposals of resolutions will be available at the Company and at the Company's website, www.crownenergy.se, at least three weeks in advance of the annual general meeting. The documents will also be sent to shareholders upon request provided that the shareholders state their postal address.

The shareholders are reminded of their right to request information at the annual general meeting from the board of directors and the managing director in accordance with Ch. 7 Section 32 of the Swedish Companies Act.

Stockholm in April 2015

Crown Energy AB (publ)
The board of directors

Crown Energy AB (publ) discloses above information pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 13 April 2015, 8:30 AM.

MORE INFORMATION

Please contact Ulrik Jansson, CEO, Crown Energy AB

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ABOUT CROWN ENERGY

Crown Energy is an international oil and gas company engaged in exploration in Africa and Middle East. Growth is created by developing assets in early stages and then maximising value by introducing appropriate industry partners in the development and production stages. For more information please visit www.crownenergy.se.