



Crown Energy announces completion of the acquisition of ESI Group SA and the postponing of the announcement of half-year report

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Crown Energy AB (publ) ("Crown Energy" or the "Company") is extremely pleased to announce that the acquisition of ESI Group SA. ("ESI Group") today is completed. On 10 November 2016, Crown Energy entered into an agreement to acquire all outstanding shares of ESI Group from YBE Ventures Ltd ("YBE Ventures") owned by Yoav Ben-Eli. Crown Energy has today completed the acquisition according to the agreement. Due to the large amount of work to now consolidate the financial reports for the new Crown Energy group, the board of directors of Crown Energy has resolved to postpone the announcement of the Company's half-year report for the period 1 January - 30 June 2017 from 11 August to 31 August 2017.

The acquisition

On 10 November 2016, Crown Energy entered into an agreement regarding all shares of ESI Group from YBE Ventures. ESI Group owns and manages real estate assets in Angola. In connection with the execution of the agreement, a shareholders meeting on 12 December 2016 resolved on a directed under quota issue, as payment for the acquisition of ESI Group, to YBE Ventures which was executed in February 2017 (the "**Under Quota Issue**"). Through the rights issue, a new share class was established with 363,401,823 C-shares.

Acquisition structure

The real estate assets have been transferred to a newly established Angolan company, YBE Imobiliaria Lda ("**YBE Imobiliaria**") from the Angolan company ESI Angola Lda ("**ESI Angola**"). All key individuals will form part of the new Crown Energy group. The other employees in ESI Angola will continue to be employed in that company and a service agreement regarding services has been entered into between YBE Imobiliaria and ESI Angola covering maintenance and services regarding the real estate assets.

The parent company to YBE Imobiliaria is the Luxembourg based company ESI Group and it is the shares of ESI Group which Crown Energy now has acquired. The owner of ESI Group is YBE Ventures, a Maltese based private company, which in turn owns by the founder Yoav Ben-Eli.

Conversion of C-shares to ordinary shares

In connection with the Under Quota Issue, a conversion and redemption clause was introduced into the Company's articles of association which included the C-shares. The Conversion clause is expected to be exercised in July 2017 whereby the C-shares will be converted to listed ordinary shares. Such listing is conditional upon a prospectus having been approved and registered by the Swedish Financial Supervisory Authority. The prospectus is expected to be approved and registered during July or at the latest August 2017.

The conversion ratio has been decided based on a pre agreed value of the respective parties where the value on Crown Energy is 2.50 SEK per share. This constitutes a premium of 0.1 SEK per share, based on an average share price during a 30 day period prior to the execution of the agreement. Based on this calculation, the value of the acquired operations, provided full transfer of the real estate assets, amounts to 910 million SEK. The final value and the final number of ordinary shares will, however, be determined based on a final purchase price mechanic during July 2017. In any case, no more ordinary shares can be registered as a result of the conversion than the existing 363,401,823 C-shares.

Postponed interim report

With respect to today's completion of the acquired operations, the board of directors of Crown Energy has resolved to postpone the announcement of the half-year report for the period 1 January - 30 June 2017. The reason therefore is the complexity of the combination and the incorporation of the acquired operations will require some additional time to be accurately integrated into Crown Energy's financial reporting. The previous date was set to 11 August and the new date is set to 31 August, which is within the stipulated time frame for publishing of financial reports still.

"Crown Energy has today taken a huge step in the process to develop the Company and its strategy in becoming a larger player in the oil and gas industry. Existing portfolio of oil exploration assets is being combined with a cash flow generating business which also has a great growth potential, including establishing its business concept on new geographic markets. The combination of the two business legs "Energy" and "Property Development and Services" allows for several advantages and synergies. Together, the combined business is more diversified, which means lower risk. Furthermore, the cash flows that are generated from Property Development and Services can be used to support the exploration assets. We now look forward to be able to channel the combined resources to develop the vision of being a well-established and profitable player on the international oil and gas market", says Andreas Forssell, CEO Crown Energy.

This information is information that Crown Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 5 PM CET on 30 June 2017.

MORE INFORMATION

Please contact Andreas Forssell, CEO, Crown Energy AB
+46 8 400 207 20
+46 760 15 15 95

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.