



Crown Energy AB (publ)

Q3 Interim report – 1 January-30 September 2013

Crown Energy AB (publ) and its subsidiaries (Crown Energy, the Company, or the Group) is an international oil and gas group engaged in oil and gas exploration in Africa and the Middle East. Value is created through finding and developing assets in early stages and then introducing larger oil and gas industry players to the projects for further development and production. The Parent Company, whose commercial domicile is Stockholm, Sweden, is listed on NGM Equity.

- In Q3 2013, other operating income for the Group totalled SEK 8 thousand, which was attributable to exchange differences. Operating expenses for Q3 totalled SEK -1,777 thousand (-3,272), consisting primarily of employee expenses and other external costs.
- Third quarter operating loss totalled SEK -1,769 thousand (-3,272).
- Net income for the period after tax totalled SEK -5,498 thousand (-3,389), corresponding to SEK -0.21 per share (-0.15).
- Expenditures on exploration licenses in Q3 totalled SEK 515 thousand (3,929).
- The convertible issue completed in August raised SEK 44,124 thousand in cash after transaction costs for Crown Energy AB.
- On 10 September, a share transfer agreement with the sellers of Tigris Oil i Sverige AB was concluded. On 31 October, the acquisition was approved by an extra general meeting and Crown Energy took possession of the company on 18 November.
- In September 2013, Crown Energy recruited Surinder S. Rai as chief operating officer (COO).

Condensed consolidated financial information

SEK THOUSAND	2013-07-01	2012-07-01	2013-01-01	2012-01-01	2012-01-01
	2013-09-30	2012-09-30	2013-09-30	2012-09-30	2012-12-31
	Q3	Q3	Q 1-3	Q 1-3	Full year
Revenue	-	-	-	-	-
Other operating income	8	-	-	-	-
Operating expenses	-1,777	-3,272	-6,587	-6,631	-9,300
Operating loss	-1,769	-3,272	-6,587	-6,631	-9,300
Net financial items	-3,729	-117	-5,584	-145	-410
Net income for the period, after tax	-5,498	-3,389	-8,591	-6,776	-9,710
Earnings per share, SEK	-0.21	-0.15	-0.33	-0.35	-0.46
Equity per share, SEK	2.10	2.23	2.10	2.23	2.15
Change in cash and cash equivalents	-5,391	16,833	32,165	17,807	10,207
Cash flow from investments in intangible assets	-266	-1,685	-1,238	-5,616	-11,791

CEO statement

Dear shareholders and investors,

During the first part of 2013, Crown concentrated much of its efforts on financing and completing the acquisition of our assets in South Africa. Work on the collection of seismic data continued there during the year, and the technical level and quality of the seismic data has been very good. What now remains is the final interpretation of massive amounts of material. As we are one of three licence partners, we must wait for all partners to process the seismic material, since it is customary to announce results in unison. We anticipate that it will be a while before that happens.

Much work has been done to complete the acquisition of our Iraq licence: Salah ad-Din. The work has consisted of negotiating a good deal with the sellers and thoroughly screening strategies and ways forward for this asset. The asset has huge potential, and there are various ways of demonstrating this potential. Together with our new COO, we have worked out a plan to best highlight and demonstrate its value in the shortest possible time. We look forward to implementing this step by step with financing through partners as well as with appropriate in-house financing that fits our resources and capabilities.

Our hiring of a COO at this stage is due to acquisition of the Iraqi asset. Crown Energy will be working very actively on this project and needs a person with knowledge and focus on our game plan. Obviously he will be the Company's overall COO and also help develop our other assets, especially as they enter new phases, both technically and work-wise. Surinder Rai has top technical qualifications as well as established relationships in Iraq with geologists and technicians.

With the acquisition of Tigris Oil, Crown Energy has expanded its geographic focus to include the Middle East. This acquisition also entails a strategic change operationally, as it is much more likely that existing reservoirs in Iraq can be put into production in a very short period of time. The intention is to run a test production program on selected reservoirs to demonstrate production possibilities in the region. With relatively limited investment costs and low production costs, initial production may be established within 18-24 months.

Together with our partners in Equatorial Guinea we can strategically choose to either develop the existing Venus reservoir or focus further efforts on exploring the structures surrounding this reservoir. Discussions with a number of potential partners for Madagascar are ongoing, and we are working on putting together the requested data to move forward in the process. We hope to arrive at a result soon.

To summarize the year so far and the last quarter, we have taken a giant step forward in the creation of a diversified portfolio of assets with great potential. We have no lack of willingness to take risks; on the contrary, that is where considerable value can be generated, but we must also disclose the risks. We have a ways to go before we can demonstrate the value of our assets, but we have come a long way through the decisions taken so far.

Ulrik Jansson

CEO

Crown Energy AB (publ)

Operations – January-September 2013

Income statement

Operating expenses for Q3 totalled SEK -1,777 thousand (-3,272), of which SEK -556 thousand (-921) related to other external costs and SEK -1,221 thousand (2,351) related to employee benefit expenses. Other external costs are slightly lower compared year-on-year and can be explained by several major trips made last year and higher non-capitalisable consulting costs for geologists and administrative services related to exploration efforts in the period. Employee benefit expenses for the period were lower than last year due to the period allocation effects of payroll and pension expenses (and associated social security contributions) in 2012 and a late re-negotiation of pension agreements. Operating loss for January-September totalled SEK -6,587 thousand (-6,631), of which SEK -2,632 thousand (-2,624) related to other external costs and SEK -3,939 thousand (-4,007) related to employee benefit expenses.

Net financial items totalled SEK -3,729 thousand (-117) for Q3 and SEK -5,584 thousand (-145) year-to-date. In April 2013, Crown Energy issued a convertible debt instrument that increased financial expenses. In Q3 2013, the convertible debt instrument resulted in an expense of SEK -3,272 thousand, including coupon interest and discounting effects. Year-to-date expenses for the debt instrument totalled SEK -5,436 thousand. Net financial items were also affected by the discounting and translation effects of fair value valuation of provisions and exchange rate effects attributable to translation of inter-company receivables in USD from Group company Amicoh Resources Ltd. These discounting and translation differences do not affect cash flow.

For the period January-September, the Company recognized a deferred tax revenue in its income statement, attributable to a tax deficit. The revenue was recognized in the second quarter and amounted to SEK 3,580 thousand.

Q3 loss (after tax) totalled SEK -5,498 thousand (-3,389), corresponding to SEK -0.21 per share (-0.15). Year-to-date loss (after tax) totalled SEK -8,591 thousand (-6,776), corresponding to SEK -0.33 per share (-0.35).

Other comprehensive income was negative in Q3 and is attributable to translation differences in both subsidiaries and intangible assets. The translation differences attributable to these assets are negative due to a somewhat weaker dollar rate against the Swedish krona in Q3, as mentioned earlier. Other comprehensive

income totalled SEK -1,507 thousand (184) for Q3 and SEK -455 thousand (169) year-to-date.

Financial position

Costs for acquiring rights, prospecting costs, etc., which are recognized as intangible non-current assets, totalled SEK 61,432 thousand at 30 September 2013, a net increase from 31 December 2012 of SEK 486 thousand. The increase since 31 December 2012 consists of total year-to-date expenditures of SEK 1,238 thousand and translation differences of SEK -752 thousand. See Note 4, *Intangible assets*. Translation differences do not affect cash flow. Capitalized costs in intangible non-current assets for Q3 totalled SEK 515 thousand (3,929). The expenditures are mainly costs for geological work. The decrease in the rate of expenditures compared with the periods of previous years is due to reduced activity with the Madagascar and Equatorial Guinea licences.

Crown Energy moved offices in Stockholm on 1 October. Following the purchase of equipment for the new offices, SEK 102 thousand in property, plant, and equipment was recognized.

SEK 7,608 thousand in equity (net of transaction costs and deferred tax) was injected during the January-September period as a result of recognizing the option component of the convertible debt instrument. For more information about the convertible debt instrument, see Note 8, *Convertible debt instruments*.

Cash and cash equivalents at the end of the period totalled SEK 43,933 thousand compared with SEK 19,365 thousand on 30 September 2012 and SEK 11,762 thousand on 31 December 2012. The increase is due mainly to the inclusion of a convertible debt instrument.

An issuance of convertible bonds was performed in April 2013 to pay for the acquisition of shares in the company that owns a stake in Block 2B in South Africa. For more information about the convertible debt instrument, see Note 8, *Convertible debt instruments*.

Other current liabilities consist principally of trade payables, employee-related taxes, and miscellaneous accrued expenses that total SEK 4,126 thousand. As at 30 September 2013, SEK 2,683 thousand of these expenses concern accrued coupon interest related to the convertible debt instrument.

Cash flow

Cash flow for Q3 totalled SEK -5,391 thousand (16,833). Cash flow from operating activities amounted to SEK -4,774 thousand (-1,863) in Q3. The negative effect is due to payments on the large consulting debts attributable to the convertible issue in Q2. As mentioned earlier, expenditures on licences affected cash flow by SEK -515 thousand (-3,929) in the corresponding period. An expenditure for office equipment in September 2013 totalled SEK -102 thousand. Total net cash flow from investing activities totalled SEK -617 thousand in Q3. Net cash flow from financing activities totalled SEK 0 thousand (16,655). In Q3 2012, financing activities had a positive effect due to the new shares issued during the summer.

Year-to-date cash flow from operating activities amounted to SEK -10,619 thousand (-4,115). The year-on-year difference is due to the fact that short-term loans were settled in Q2 2012 through offset issues, resulting in short-term debt reduction without affecting cash flow negatively. Year-to-date investments in licenses amounted to SEK -1,238 thousand (-7,860) and expenditures on office equipment totalled SEK -102 thousand (0). Financing activities totalled SEK 44,124 thousand (27,538), attributable to issuance of the convertible debt instrument in April 2013. Total cash flow for the period amounted to SEK 32,165 thousand (17,807). The positive effect is a result of the convertible issue. For a gross breakdown of financing activities, see page 10.

Projects

In the first three quarters of 2013, no significant exploration work was conducted in Crown Energy's current projects. Following are project status updates.

Block P – Equatorial Guinea

Since Vaalco Energy joined us as a partner in the project, much of our efforts have been focussed on the strategy going forward. The alternatives being discussed by the parties are to either expand the existing reservoir (Venus) or do additional preliminary exploration work on structures situated around the Venus reservoir.

3108 Manja – Madagascar

After 2012's drilling preparations, geotechnical and geophysical analyses of existing data, and approval of a licence agreement extension, Crown Energy's 2013 focus is on finding a partner that it can work with both operationally and financially.

During the latter part of October 2013, Crown Energy applied for and activated an extension of the licence until November 2015. This means that Crown Energy can continue to try to find a project partner.

Block 2B – South Africa

In Q1 and Q2, 3D seismic data was collected, which underwent data processing in Q3. Remaining is an analysis and interpretation of the data-processed material. Each partner will do its own interpretation of the material and, after comparing notes, will notify the operator of the results. Crown Energy is currently conducting its own analysis and interpretation of the material. The data collected is of good quality and Crown Energy estimates that the documentation will provide the necessary supporting information for taking decisions on future drilling through the licence.

The application regarding a change of ownership for part of the licence was submitted to the South African authorities. As mentioned in previous reports, the acquisition of and access to a stake in the licence is subject to approval by the South African authorities, and this process is now under way.

Salah ad-Din - Iraq

On 14 June 2013, Crown Energy's board put forth a proposal to acquire Tigris Oil i Sverige AB (Tigris Oil), which holds a licence in Salah ad-Din in Iraq. The final acquisition agreement was signed in September 2013. Final approval of the acquisition was made at an extraordinary general meeting on 31 October 2013. After awaiting regulatory approval, Crown took possession of Tigris Oil on 18 November 2013.

The licence covers the entire Salah ad-Din region – about 24,000 square kilometres. Numerous oil and gas reservoirs are found within the licence area. No commercial exploitation of the reservoirs has occurred, however.

In Q3 2013, Crown Energy's activities consisted of building an organization for the operation in Iraq. For example, a COO with extensive experience in oil and gas exploration in the Middle East was recruited. Future work will focus on exploration activities. Trial production at one of the reservoirs within the licence area will also be initiated.

Key events during the period

Completion of share transfer agreement and registration of convertible issue

On 24 July the share transfer agreement between Crown Energy and the sellers of the company that owns a stake in the Block 2B licence in South Africa was completed.

To finance the acquisition, it was determined at an extraordinary general meeting in June 2013 to issue 6,438,757 convertibles with preferential rights for shareholders. Trading in paid subscription units on NGM Equity began in late May. The convertible issue was registered with the Swedish Companies Registration Office on 31 July 2013. As of 5 August 2013, trading of paid subscription units on NGM Equity was replaced by convertibles. The convertible issue raised SEK 44,124 thousand in cash after transaction costs for Crown Energy.

Decision on acquisition of Tigris Oil i Sverige AB

In June, Crown Energy's board resolved to exercise an option it has held since 2012. The decision means that Crown Energy will acquire 100 per cent of Tigris Oil i Sverige AB (Tigris Oil) through a consideration of SEK 15 million. The consideration will consist of newly issued Crown Energy shares. The decision was formalized on 10 September 2013 when all parties to the share transfer signed the agreement. The sellers are T Intressenter AB and USB Investment B.V. The acquisition of Tigris Oil is subject to approval of the directed share issue at an extraordinary general meeting. The acquisition was also subject to approval of the change in ownership by regulatory authorities in Iraq. Approval from an extraordinary general meeting and by the regulatory authorities has been received after the reporting period.

Recruitment of chief operating office

In September 2013, Crown Energy recruited Surinder S. Rai as chief operating officer for Crown Energy's operations in Iraq, Madagascar, South Africa, and Equatorial Guinea. Surinder Rai has worked in the oil industry for over 16 years and is a chemical engineer with technical training from English universities. He has worked for several major oil companies around the world, including Chevron and Hess. Before assuming his position at Crown, he was employed by Gulf Keystone Petroleum, where he was responsible for development of oil production in Kurdistan, Iraq. Gulf Keystone Petroleum is a successful company with very positive growth on the market. The company is listed on AIM in

London. Mr Rai will be engaged in Crown Energy as a consultant.

Events after the reporting period

Possession of Tigris Oil

An extraordinary general meeting of Crown Energy AB was held 31 October 2013, at which the shareholders resolved to approve the acquisition of Tigris Oil in accordance with the proposal made by the Board. It was also resolved that, with deviation from shareholders' preferential rights, to issue up to 3,000,000 shares to T Intressenter AB and USB Investment BV as payment for Tigris Oil.

Regulatory approval of the acquisition was received in early November 2013. In doing so, all conditions for the acquisition were satisfied and on 18 November 2013, Crown Energy took possession of Tigris Oil. The final consideration comprised 1,842,715 newly issued Crown Energy shares, for which the issue price was set at SEK 8 per share.

Outlook

Operations

The acquisition of Tigris Oil is aligned with Crown Energy's growth strategy. Important goals in the near future include continuing to build up the organization in Iraq and Sweden, collecting additional information on existing reservoirs, and conducting additional surveys. Crown Energy will focus future work on further exploration of the licence area. Trial production at one of the existing multi-million barrel oilfields/reservoirs within the licence area will also be initiated. As work progresses, Crown Energy will provide information about the technical game plan and efforts to find a suitable industrial partner for further development, project financing, and production.

Otherwise, Crown continually appraises new opportunities in line with its business concept and goals. New projects must be compatible with Crown's basic values regarding political risk, infrastructure, the environment, and potential.

The Company is developing prospects for investors to own a share that generates good revenue, so Crown can be an attractive investment for both small and large investors in the market.

Financing and going concern

Since the Group has not generated any profits, financing has historically been done through new share issues. As mentioned earlier, a convertible issue was effected in Q2

2013 for the purpose of financing acquisition of the Block 2B licence. In October 2013, a non-cash issue was approved to finance Tigris Oil i Sverige AB.

The Company estimates that there is potential for continuing as a going concern for 12 months from the balance sheet date. In view of possible future acquisitions, the Company will however have a rising cost base. The assessment is that new financing will likely be required within the next year. The Company believes that financing should primarily be done through the sale of assets, agreements with farm-in partners, or new share issues.

Risks and uncertainty factors

A detailed description of the Company's risks can be found in Crown Energy's 2012 Annual Report. No pervasive modifications to significant risks and uncertainty factors were made during the period for the Group or the Parent Company. Following is a summary of some of the major risks.

The main risk associated with Crown Energy's exploration and appraisal operations is that the assets the Group holds will not be developed into commercial reservoirs. Oil prices affect the operation even though the Group currently does not produce any oil. For example, lower oil prices could affect the Group through fluctuations in expected profitability, decreased interest in farm-out projects, or possible sales of assets.

Crown has operations in several countries, which means that the Group is subject to currency exposure, primarily in USD. Currency exposure in USD affects net investments in foreign operations as well as anticipated future income.

Oil and gas exploration is a capital-intensive business, which means that in the future the Group may need capital injections to continue operating activities or to acquire new licences. Historically, financing has been primarily through new share issues. The main risk associated with financing is that new shares may be issued under less favourable market conditions.

Parent Company

The Parent Company's earnings before tax for Q3 totalled SEK -4,003 thousand (-1,838). The Parent Company's earnings before tax decreased compared to prior years, mainly due to interest expenses from coupon interest and discount effects arising from the convertible debt instrument. The negative earnings were offset somewhat by the interest income that the Parent Company now obtains on receivables from subsidiaries. Interest was also paid over the full year 2012, but was first calculated at year-end 2012.

The Parent Company's year-to-date earnings before tax totalled SEK -7,556 thousand (-4,708). The explanation for the change is the same as above.

For the period January-September, the Company recognized a deferred tax revenue in the income statement, attributable to its tax deficit. The revenue was recognized in the second quarter and amounted to SEK 3,580 thousand.

Cash and cash equivalents at the end of Q3 totalled SEK 43,449 thousand compared with SEK 11,563 thousand at 31 December 2012. The increase is due mainly to the inclusion of a convertible debt instrument.

There were 3 persons (2) employed by the Parent Company at the end of the period.

Equity at the end of the period was SEK 65,732 thousand compared with SEK 62,100 thousand at 31 December 2012. Apart from net income for the period of SEK -3,975 thousand, equity increased by SEK 7,608 thousand due to recognition of the option component of the convertible debt instrument.

A convertible debt instrument was issued in April 2013 to pay for the acquisition of shares in the company that owns a stake in Block 2B in South Africa. For more information about the convertible debt instrument, see Note 8, *Convertible debt instruments*. As a result of the convertible debt instrument, accrued interest expenses of SEK 2,683 thousand were also recognized.

Reporting dates

▪ Year-end report 2013 (January-December)	14 February 2014
▪ Annual General Meeting 2014	14 May 2014
▪ Interim report Q1 2014 (January-March 2014)	14 May 2014
▪ Interim report Q2 2014 (January-June 2014)	14 August 2014
▪ Interim report Q3 (January-September 2014)	14 November 2014

Publication pursuant to Swedish law

Crown Energy AB (publ) discloses this information pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 21 November 2013.

Financial information

All financial information is published on www.crownenergy.se as soon as it is released. Shareholders, other players in the stock market, and the public are free to subscribe to the Company's press releases and financial reports through NG News, Nordic Growth Markets news service, at www.ngnews.se.

For additional information, contact:

Ulrik Jansson, CEO +46 (0)8 400 207 20

About Crown Energy AB (publ)

Crown Energy is an international oil and gas company engaged in oil and gas exploration in Africa and the Middle East. Value is created through finding and developing assets in early stages and then introducing larger oil and gas industry players to the projects for further development and production. Find out more at www.crownenergy.se.

Address:

Crown Energy AB (publ)
Norrländsgatan 18
SE-111 43 Stockholm, Sweden
www.crownenergy.se

Condensed consolidated income statement

All amounts in SEK thousand	Note	2013-07-01	2012-07-01	2013-01-01	2012-01-01	2012-01-01
		2013-09-30	2012-09-30	2013-09-30	2012-09-30	2012-12-31
Revenue		-	-	-	-	-
Other operating income		8	-	-	-	-
Other external costs		-556	-921	-2,632	-2,624	-4,157
Employee benefit expenses		-1,221	-2,351	-3,939	-4,007	-4,812
Other operating expenses		-	-	-16	-	-331
Operating loss		-1,769	-3,272	-6,587	-6,631	-9,300
Financial income		-	0	51	0	26
Financial expenses		-3,729	-117	-5,635	-145	-436
Loss before tax		-5,498	-3,389	-12,171	-6,776	-9,710
Income tax	9	-	-	3,580	-	-
Net loss for the period		-5,498	-3,389	-8,591	-6,776	-9,710
Earnings per share and share related data						
Average number of basic shares, thousand	3	25,755	22,010	25,755	19,298	20,929
Average number of diluted shares, thousand	3	25,755	22,010	25,755	19,298	20,929
Basic earnings per share, SEK	3	-0.21	-0.15	-0.33	-0.35	-0.46
Diluted earnings per share, SEK	3	-0.21	-0.15	-0.33	-0.35	-0.46

Condensed consolidated statement of comprehensive income

All amounts in SEK thousand	2013-07-01	2012-07-01	2013-01-01	2012-01-01	2012-01-01
	2013-09-30	2012-09-30	2013-09-30	2012-09-30	2012-12-31
Net loss for the period	-5,498	-3,389	-8,591	-6,776	-9,710
Other comprehensive income					
<i>Items that can be reclassified to profit or loss:</i>					
Translation differences	-1,507	184	-455	169	-23
Total items that can be reclassified to profit or loss:	-1,507	184	-455	169	-23
Other comprehensive income, net of tax	-1,507	-12,171	-455	169	-23
Total comprehensive income for the period	-7,005	-3,205	-9,046	-6,607	-9,733
Total comprehensive income attributable to:					
Parent Company shareholders	-7,005	-3,205	-9,046	-6,607	-9,733
Comprehensive income for the period	-7,005	-3,205	-9,046	-6,607	-9,733

Condensed consolidated balance sheet

ASSETS

All amounts in SEK thousand	Note	2013-09-30	2012-09-30	2012-12-31
ASSETS				
Non-current assets				
Intangible non-current assets	4	61,432	55,133	60,946
Property, plant, and equipment		102	-	-
Total non-current assets		61,534	55,133	60,946
Current assets				
Other receivables	7	4,928	3,941	4,423
Cash and cash equivalents	5	43,933	19,365	11,762
Total current assets		48,861	23,306	16,185
TOTAL ASSETS		110,395	78,439	77,131

EQUITY OCH LIABILITIES

All amounts in SEK thousand	Note	2013-09-30	2012-09-30	2012-12-31
EQUITY				
Share capital		757	757	757
Other contributed capital		71,271	66,624	67,662
Reserves		-688	-41	-233
Loss brought forward		-8,753	-3,043	-3,043
Net loss for the period		-8,591	-6,776	-9,710
Total equity		53,996	57,521	55,433
LIABILITIES				
Non-current liabilities				
Loans from related parties	1, 8	2,854	3,451	2,854
Convertible debt instruments	7, 8	35,689	-	-
Deferred tax liabilities	9	11,161	11,341	11,310
Other provisions	6, 7	2,569	2,529	2,543
Total non-current liabilities		52,273	17,321	16,707
Current liabilities				
Other current liabilities	7	4,126	3,597	4,991
Total current liabilities		4,126	3,597	4,991
TOTAL EQUITY AND LIABILITIES		110,395	78,439	77,131
Pledged assets and contingent liabilities		None	None	None

Condensed consolidated statement of changes in equity

All amounts in SEK thousand	2013-09-30	2012-09-30	2012-12-31
Opening balance	55,433	1,247	1,247
Net loss for the period	-8,591	-6,776	-9,710
Other comprehensive income, net of tax	-455	169	-23
Comprehensive income for the period	-9,046	-6,607	-9,733
Share issue	-	70,254	72,181
Issue expenses*	-	-7,373	-8,262
Convertible debt instrument	7,608	-	-
Of which:			
Option component	13,056	-	-
Transaction costs	-1,868	-	-
Deferred tax	-3,581	-	-
Closing balance	53,996	57,521	55,433
Attributable to:			
Parent Company shareholders	53,996	57,521	55,433
Total equity	53,996	57,521	55,433

*Deferred taxes on issue expenses were not accounted for.

Condensed consolidated statement of cash flows

All amounts in SEK thousand	Note	2013-07-01	2012-07-01	2013-01-01	2012-01-01	2012-01-01
		2013-09-30	2012-09-30	2013-09-30	2012-09-30	2012-12-31
Cash flow from operating activities		-4,774	1,864	-10,619	-4,115	-9,545
Cash flow from investing activities		-617	-1,685	-1,340	-5,616	-11,791
Cash flow from financing activities		-	16,654	44,124	27,538	31,543
Cash flow for the period		-5,391	16,833	32,165	17,807	10,207
Cash and cash equivalents at start of period		49,340	2,538	11,762	1,563	1,563
Cash flow for the period		-5,391	16,833	32,165	17,807	10,207
Exchange gains/losses on cash and cash equivalents		-16	-6	6	-5	-8
Cash and cash equivalents at end of period	5	43,933	19,365	43,933	19,365	11,762

Specification of financing activities

Financing activities for the period 1 January-30 September 2013 consist entirely of cash flow effects attributable to the issue of the convertible debt instrument. Following is a breakdown of the gross effects.

	2013-01-01	2013-09-30
Convertible debt instruments issued	64,388	
Component of consideration settled with convertibles	-12,875	
Proceeds of issue	51,513	
Total transaction expenses attributable to convertible issue	-7,388	
Cash flow attributable to issued convertible debt instrument	44,124	

Consolidated key ratios

Quarterly summary

All amounts in SEK thousand unless otherwise stated	Note	2013-07-01	2013-04-01	2013-01-01	2012-10-01	2012-07-01	2012-04-01	2012-01-01
		2013-09-30	2013-06-30	2013-03-31	2012-12-31	2012-09-30	2012-06-30	2012-03-31
		Q3	Q2	Q1	Q4	Q3	Q2	Q1
Profit/loss								
Other operating income		8	-	-	-	-	-	-
Operating loss		-1,769	-2,671	-2,146	-2,669	-3,273	-1,367	-1,991
Net income for the period, after tax		-5,498	-865	-2,227	-2,934	-3,389	-1,465	-1,922
Earnings yield								
Return on equity, %		neg	neg	neg	neg	neg	neg	neg
Return on capital employed, %		neg	neg	neg	neg	neg	neg	neg
Financial position								
Equity/assets ratio, %		48.9%	51.8%	74.0%	71.9%	73.3%	28.8%	37.1%
Net indebtedness, times		-0.15	-0.25	n/a	n/a	n/a	n/a	n/a
Net asset value per share, SEK		2.10	2.37	2.07	2.15	2.23	0.94	1.08
Balance sheet total		110,395	117,737	71,887	77,133	78,439	59,942	53,325
Equity		53,996	61,002	53,210	55,434	57,521	17,291	19,780
Cash flow from investments		-617	-368	-354	-6,175	-1,685	-1,352	-2,579
Ratios per share								
Dividend per share, SEK		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of basic shares outstanding, thousand	3	25,755	25,755	25,755	25,755	25,755	18,732	18,732
Number of diluted shares outstanding, thousand		25,755	25,755	25,755	25,755	25,755	18,732	18,732
Average number of shares, thousand	3	25,755	25,755	25,755	25,755	21,930	18,732	17,836
Average number of diluted shares, thousand	3	25,755	25,755	25,755	25,755	21,930	18,732	17,836
Basic earnings per share, SEK	3	-0.21	-0.03	-0.09	-0.11	-0.15	-0.08	-0.11
Diluted earnings per share, SEK	3	-0.21	-0.03	-0.09	-0.11	-0.15	-0.08	-0.11
Equity per share, SEK		2.10	2.37	2.07	2.15	2.23	0.92	1.06
Cash flow from operating activities per share, SEK		-0.19	0.01	-0.23	-0.21	0.07	0.01	-0.57
Employees								
Average number of employees		3.0	3.0	3.0	2.0	2.0	2.0	2.0

Crown Energy was listed on Nordic MTF in December 2011 and on NGM Equity in December 2012. For this reason there are only seven quarters listed in the preceding quarterly statement.

Yearly summary

All amounts in SEK thousand unless otherwise stated	Note	2013-01-01	2012-01-01	2012-01-01	2011-01-01
		2013-09-30	2012-09-30	2012-12-31	2011-12-31
		Q 1-3	Q 1-3	Full year	Full year
Profit/loss					
Other operating income		-	-	-	342
Operating loss		-6,587	-6,631	-9,300	-3,158
Net income for the period, after tax		-8,591	-6,776	-9,710	-3,042

Earnings yield					
Return on equity, %		neg	neg	neg	neg
Return on capital employed, %		neg	neg	neg	neg
Financial position					
Equity/assets ratio, %		48.9%	73.3%	71.9%	2.4%
Net indebtedness, times		-0.15	n/a	n/a	n/a
Net asset value per share, SEK		2.10	2.23	2.15	
Total assets		110,395	78,439	77,133	51,958
Equity		53,996	57,521	55,434	1,247
Cash flow from investments		-1,340	-5,616	-11,791	-17,974
Ratios per share					
Dividend per share, SEK		n/a	n/a	n/a	n/a
Number of basic shares outstanding, thousand	3	25,755	25,755	25,755	17,031
Number of diluted shares outstanding, thousand		25,755	25,755	25,755	17,031
Average number of shares, thousand	3	25,755	19,352	20,929	3,988
Average number of diluted shares, thousand	3	25,755	19,352	20,929	3,988
Basic earnings per share, SEK	3	-0.33	-0.35	-0.46	-0.76
Diluted earnings per share, SEK	3	-0.33	-0.35	-0.46	-0.76
Equity per share, SEK		2.10	2.23	2.15	0.07
Cash flow from operating activities per share, SEK		-0.41	-0.16	-0.37	0.16
Employees					
Average number of employees		3.0	2.0	2.0	0.0

Definitions of key ratios

Earnings yield

Return on equity, per cent

Net income as a percentage of average equity. Average equity is calculated as the opening and closing balance divided by two.

Financial position

Equity, SEK

Equity at end of period.

Equity/assets ratio, per cent

Equity including the minority as a percentage of total assets.

Net debt/equity ratio

Interest-bearing net debt divided by equity, where interest-bearing net debt is interest-bearing liabilities minus interest-bearing current receivables and cash and cash equivalents.

Investments

Net investments in non-current assets during the period. Investments in non-current assets for the period less sales and disposals for the period.

Per share data

Total number of shares outstanding

Number of shares outstanding at end of period.

Weighted average number of shares

Weighted number of shares outstanding during the year.

Equity per share, SEK

Equity at end of period divided by number of shares at end of period.

Return on equity, per cent

Equity at end of period divided by average equity for the period.

Return on capital employed, per cent

Equity at end of period divided by average total assets for the period.

Earnings per share, SEK

Earnings after tax divided by average number of shares for the period.

Employees

Average number of employees

Average number of employees during the period.

Parent Company – Condensed income statement

All amounts in SEK thousand	Note	2013-07-01	2012-07-01	2013-01-01	2012-01-01	2012-01-01
		2013-09-30	2012-09-30	2013-09-30	2012-09-30	2012-12-31
Other operating income		-	-	-	-	-
Other external costs		-705	-629	-2,250	-1,869	-4,267
Employee benefit expenses		-1,221	-2,351	-3,939	-4,007	-4,812
Other operating expenses		-	-	-4	-	-318
Operating loss		-1,926	-2,980	-6,193	-5,876	-9,396
Interest income and similar items		-	-	40	16	1
Interest income, intercompany		1,359	1,152	4,034	1,152	4,640
Interest expenses and similar items	8	-3,436	-10	-5,437	-	-65
Loss before tax		-4,003	-1,838	-7,556	-4,708	-4,821
Tax	9	-	-	3,580	-	-
Net loss for the period		-4,003	-1,838	-3,976	-4,708	-4,821

Parent Company – Condensed statement of comprehensive income

All amounts in SEK thousand	Note	2013-07-01	2012-07-01	2013-01-01	2012-01-01	2012-01-01
		2013-09-30	2012-09-30	2013-09-30	2012-09-30	2012-12-31
Net loss for the period		-4,003	-1,838	-3,976	-4,708	-4,821
Other comprehensive income						
<i>Total items that can be reclassified to profit or loss</i>		-	-	-	-	-
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-4,003	-1,838	-3,976	-4,708	-4,821

Parent Company – Condensed balance sheet

ASSETS

All amounts in SEK thousand	Note	2013-09-30	2012-09-30	2012-12-31
ASSETS				
Non-current assets				
Shares in Group companies		500	500	500
Property, plant, and equipment		102	-	-
Receivables, Group companies		21,244	22,396	21,244
Total non-current assets		21,846	22,896	21,744
Current assets				
Receivables, Group companies		41,786	24,848	34,241
Current receivables	7	1,243	243	1,048
Cash and bank balances	5	43,449	19,218	11,563
Total current assets		86,478	44,309	46,851
TOTAL ASSETS		108,324	67,205	68,595

EQUITY OCH LIABILITIES

All amounts in SEK thousand	Note	2013-09-30	2012-09-30	2012-12-31
EQUITY				
Equity				
Restricted equity				
Share capital		757	757	757
Total restricted equity		757	757	757
Non-restricted equity				
Share premium reserve		71,271	62,624	63,662
Accumulated earnings		-2,320	2,501	2,501
Net loss for the year		-3,976	-4,708	-4,821
Total non-restricted equity		64,975	60,417	61,343
Total equity		65,732	61,174	62,100
Non-current liabilities				
Convertible debt instrument	7, 8	35,689	-	-
Loans from related parties	1, 7	2,854	3,451	2,854
Total non-current liabilities		38,543	3,451	2,854
Current liabilities				
Other current liabilities	7	4,049	2,580	3,641
Total current liabilities		4,049	2,580	3,641
TOTAL EQUITY AND LIABILITIES		108,324	67,205	68,595
Pledged assets		None	None	None
Contingent liabilities		None	None	None

Parent Company – Condensed changes in equity

All amounts in SEK thousand	2013-09-30	2012-09-30	2012-12-31
Opening balance	62,100	3,001	3,001
Net loss for the period	-3,976	-4,708	-4,821
Other comprehensive income for the period	-	-	-
Comprehensive income for the period	-3,976	-4,708	-4,821
Share issue*	-	70,254	72,181
Issue expenses	-	-7,373	-8,262
Convertible debt instrument	7,608	-	-
Of which:			
Option component	13,056	-	-
Transaction costs	-1,868	-	-
Deferred tax	-3,581	-	-
Closing balance	65,732	61,174	62,100

*Deferred taxes on issue expenses were not accounted for.

Notes

General information

Crown Energy AB (publ), corporate identity number 556804-8598, with subsidiaries, is an international oil and gas group focused on exploration opportunities with high potential for recoverable oil and gas reserves in underexploited areas. The Group has focussed on Equatorial Guinea (Block P), South Africa (Block 2B), and Madagascar (3108 Manja), and decided in Q2 2013 to also acquire a licence in Iraq.

The Parent Company is a limited company registered in Sweden and domiciled in Stockholm. The Parent Company is listed on NGM Equity.

The street address of the main office is Norrlandsgatan 18, Stockholm.

Accounting policies

This interim report was prepared pursuant to IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and RFR 1 Supplementary Accounting Regulations for Groups. As with the 2012 annual accounts, the consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The financial statements of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities.

The same accounting policies were used during the period as were used for the 2012 financial year and as described in the 2012 Annual Report. No new or revised standards, interpretations, or amendments adopted by the EU had an effect on the Group. No acquisitions were made during the period.

This interim report does not contain all the information and disclosures contained in the Annual Report, so the interim report should be read alongside the 2012 Annual Report.

Accounting policies for convertible debt instruments

The combined financial instruments issued by the Group comprise convertible debt instruments that the holder can have converted into shares, where the number of shares to be issued does not vary with changes in their fair value.

The liability component of a combined financial instrument is recognized initially at the fair value of a similar liability that does not entail the right of conversion into shares. The equity component is recognized initially at the difference between

the fair value of the entire combined financial instrument and the liability component's fair value. The liability's fair value at the issue date is calculated by discounting future cash flows at the current market rate for a similar liability without conversion rights. Any deferred tax attributable to the liability at issuance is deducted from the carrying amount of the equity instrument. Any directly attributable transaction costs are allocated to the respective liability and equity components in proportion to their initial carrying amounts. After the acquisition date, the liability component of a combined financial instrument is measured at amortized cost using the effective interest method. The equity component of a combined financial instrument is not remeasured subsequent to initial recognition except on conversion or redemption. Interest expense is recognized in net income for the period and is calculated using the effective interest method.

Note 1 Transactions with related parties

Purchases and sales within the Group

The Parent Company's revenue represents 0 (0) per cent of sales to other companies within the Group. Of the Parent Company's interest income, 99 per cent relates to other companies within the Group as at 30 September 2013.

Loans from related parties

The Parent Company holds an interest-free loan from Ulrik Jansson (via Varukungen AB) totalling SEK 2,854 thousand as at 30 September 2013. No changes have been made to the loan since year-end 2012.

Purchases of services

Two persons in management, Peter Mikkelsen and David Jones, work in their respective management positions under consultancy agreements. Their services are purchased on normal commercial terms and they invoice regularly for work performed. Year-to-date, Peter Mikkelsen has invoiced for about GBP 13 thousand and David Jones for about GBP 3 thousand.

Crown Energy also purchases technical consulting services from Simco Petroleum Ltd. (Simco). Alan Simonian, Crown Energy's board chairman, owns 33% of Simco and also sits on Simco's board. Services from Simco are purchased on normal commercial terms. During the period, services amounting to about USD 45 thousand were purchased.

Other

On 24 April 2012, the Company entered into an option agreement with Ulrik Jansson whereby Crown Energy obtains an exclusive right, but not an obligation, to acquire Tigris Oil i Sverige AB (Tigris Oil), which entered into an agreement with an Iraqi region in 2012. Ulrik Jansson has held 15% of the shares in Tigris Oil, 5% directly in the exploration licence, with an option to acquire the remaining 85%. As mentioned in the *Key events during the period* and *Events after the reporting period* sections, Crown Energy acquired and took possession of Tigris Oil on 18 November 2013.

Note 2 Ownership structure

The number of shares is 25,755,030 with a quotient value of SEK 0.03 per share. Crown Energy has about 1,900 shareholders. The Company's shares are listed on NGM Equity.

The five shareholders holding the most shares as of publication of this interim report:

Shareholder	Number of shares	Proportion (%)
Ulrik Jansson, private and via company	15,267,226	59%
Comtrack Ventures Ltd	2,163,811	8%
Mocoh Resources Ltd	1,426,833	5%
Alan Simonian	1,175,377	5%
Avanza Pension	639,726	3%
Other shareholders	5,087,057	20%
	25,755,030	100%

Note 3 Earnings per share and number of shares

Average numbers of shares, basic and diluted, and number of shares at the end of the period were restated taking into account the new issue of preferential shares that occurred in Q2 2012. All periods before the new share issue were translated.

Crown Energy previously issued 814,954 warrants that could be converted into an equivalent number of ordinary shares. In May 2013, 6,438,757 convertibles were issued that could also be converted into an equivalent number of ordinary shares. As the issue price and the conversion price exceeded the average market price of ordinary shares during the recognized periods, there was no dilutive effect. Nor are convertibles and options considered dilutive if they cause earnings per share to improve (larger gain or smaller loss) after dilution than before dilution.

Note 4 Intangible assets

Intangible assets consist of acquisition of rights, planning costs, etc. No depreciation is taken during the exploration and development phase. Capital expenditures for the period refer to costs incurred for exploration, i.e., measurements, geological and geophysical surveys, etc.

Intangible assets arising from the acquisition of a foreign entity are treated as assets of the entity and are therefore translated at the closing rate. The translation difference that arises is recognized directly in the currency translation reserve in other comprehensive income.

Group (SEK thousand)	2013-01-01	2012-01-01	2012-01-01
	2013-09-30	2012-09-30	2012-12-31
Opening carrying amount	60,946	49,517	49,517
Capital expenditures for the period	1,238	7,860	11,791
Translation differences	-752	-2,244	-362
Closing accumulated cost of acquisition	61,432	55,133	60,946

Note 5 Cash and cash equivalents

As at 30 September 2013, cash and cash equivalents includes SEK 35,882 thousand for payment of shares in the company that owns 40.5% of the Block 2B licence in South Africa. The bank funds have been placed in an escrow account, which means that they are in the custody of a third party until the acquisition is completed. Completion of the acquisition requires the approval of Petroleum Agency SA, a South African authority. Crown Energy expects this approval to be given within a 12 month period from the reporting date.

Note 6 Provisions

In connection with the acquisition of subsidiary Amicoh Resources Ltd. in 2011, an additional consideration of up to USD 4,000 thousand was agreed upon in the event of a commercial reservoir discovery on Madagascar. The portion paid at discovery of a commercial reservoir is recognized as a provision at a value of SEK 2,450 thousand after present value calculations.

As part of the consideration for Amicoh Resources Limited, it was resolved at a Crown Energy general meeting to issue warrants directed to the seller of Amicoh Resources Limited. The carrying amount and fair value of the issued options as at 30 September 2013 were determined in accordance with an established option pricing model (Black & Scholes).

For more information on provisions, see the 2012 Annual Report. No changes have occurred in Crown Energy's assessments of provisions since 31 December 2012.

Following is a summary of the provisions by closing date:

Group (SEK thousand)	2013-09-30	2012-09-30	2012-12-31
Additional consideration, commercial reservoir	2,450	2,347	2,377
Additional consideration, warrants	119	182	167
Closing balance	2,569	2,529	2,543

Note 7 Accounting of financial instruments

Recognized and fair value

The carrying amounts of other receivables, cash and cash equivalents, accounts payable, and other current liabilities are a reasonable approximation of their fair value.

The present value of loans from related parties, corresponding to estimated fair value at 30 September 2012, was estimated at SEK 2,718 thousand, which is based on an interest rate of 5% if the loan had been subscribed to at market conditions. Fair value is unchanged from 31 December 2012.

The nominal value (net - see explanation in Note 8 Convertible debt instruments) as of 30 September 2013 for the convertible debt instrument amounts to SEK 51,513 thousand and was issued 2 May 2013 at a fixed annual interest rate of 10.0 per cent. The value of the convertible debt instrument was calculated based on amortized cost using the effective interest method. Cash flows were discounted at a lending rate of about 20%. As at 30 September 2013 the carrying amount, based on the effective interest method, was estimated to be a reasonable approximation of its fair value. The convertible debt instrument was traded at 30 September 2013 on NGM Equity at 80% of the nominal value, corresponding to an annual rate of about 12.5%.

Financial instruments measured at fair value

Crown Energy classifies fair value measurement using a fair value hierarchy (three levels) that reflects the reliability of the inputs used in making the measurements in compliance with IFRS 13 Fair Value Measurement. In accordance with IFRS 7 for financial instruments, disclosures about fair value measurement must be made by level. The following table shows the financial items recognized at fair value via the income statement, divided into these three levels.

Group (SEK thousand)	Level 1	Level 2	Level 3	Total
2013-09-30				
Total assets	-	-	-	-
Liabilities				
Financial liabilities measured at fair value via the income statement:				
- Provision for additional consideration, commercial reservoir	-	-	2,450	2,450
- Provision for additional consideration, warrants	-	119	-	119
Total liabilities	-	119	2,450	2,569

Provisions were recognized for contracted additional considerations in conjunction with the acquisition of subsidiary Amicoh Resources Ltd. (see Note 6 Provisions). No changes have occurred in Crown Energy's assessments of fair value measurement applicable to provisions since 31 December 2012. The period's total net effect due to revaluation to fair value was SEK 25 thousand and was recognized in the income statement as a (unrealized) financial expense.

Note 8 Convertible debt instruments

Background and conditions in brief

In April 2013, the Parent Company issued 6,438,757 convertibles with a nominal value of SEK 64,388 thousand. The term of the loan is from 2 May 2013 through its maturity date of 30 April 2016, when the aggregate nominal amount of the outstanding convertibles shall be repaid in full in so far as the conversion has not already taken place.

Twice annually (and in March 2016) during the periods 1 June through 30 June and 1 December through 31 December, and also during the period 1 March 2016 through 31 March 2016, holders of the convertibles will be entitled to request conversion of all or part of their claims into new shares in the Company at a conversion price of SEK 10.00 per convertible.

The loan carries an annual interest rate of 10 per cent from 2 May 2013, payable annually in arrears on 2 May with the final payment on the maturity date of 30 April 2016.

The convertible loan is in Swedish krona (SEK).

Completion of the acquisition of a stake in the Block 2B licence in South Africa requires the approval of Petroleum Agency SA, a South African authority. If Petroleum Agency SA in its final ruling does not approve acquisition of the Block 2B licence stake, the Company will immediately redeem the outstanding convertibles at 105 per cent of the issue price. Crown Energy holds that the probability of a rejection by the authorities is very low.

After receiving a permit from the South African authorities, thereby completing the acquisition, the Company will, through first-hand pledging in favour of the issuing agent, pledge the shares of the new English company, which owns 40.5 per cent of the Block 2B licence, as collateral for the Company's fulfilment of the convertible's terms and conditions. If the surety must be enforced, the issuing agent shall distribute recovered assets proportionately to the convertible holders under the convertible terms and conditions. As of 30 September 2013, Crown Energy had not yet taken possession of the shares in the proposed subsidiary, which is why the shares have not yet been pledged.

Other information about the convertible

Upon full conversion, the Company's share capital may increase by a maximum of SEK 189,296.47. At full conversion, the number of shares in Crown Energy will increase by 6,438,757 shares and result in a dilution of 20 per cent for existing shareholders who do not elect to exercise their right to subscribe for convertibles.

The preferential rights issue was registered with the Swedish Companies Registration Office on 31 July 2013. Before that, the convertibles were traded on NGM Equity as paid subscription units. As of 5 August 2013, the paid subscription units were replaced by convertibles.

Transaction costs totalled SEK 7,388 thousand.

Carrying amounts

Classification of the convertible debt instruments is as follows:

Long-term borrowing			
Group and Parent Company (SEK thousand)	2013-09-30	2012-09-30	2012-12-31
Convertible debt instruments	35,689	-	-
	35,689	-	-

Carrying amount compared to fair value at 30 September 2013 is as follows:

Group and Parent Company (SEK thousand)	Carrying amount	Fair value
Convertible debt instruments	35,689	35,689
	35,689	35,689

Fair value is calculated using cash flows discounted at a lending rate of about 20%, which at 30 September 2013 corresponded with the carrying amount based on the effective interest method. As at 30 September 2013, the convertibles were traded on NGM Equity at 80% of face value, which corresponds to an annual rate of about 12.5%.

As part of the consideration, the sellers of the Block 2B licence will receive convertibles valued at SEK 12,875 thousand. Subscription of the convertibles occurred in conjunction with finalization of the acquisition agreement on 24 July 2013. The convertibles have been placed in an escrow account, which means that they are in the custody of a third party until the acquisition is completed. Because of this, these convertibles were not recognized as a liability as at 30 September 2013. The nominal value of the convertible loan as of 30 September 2013 amounts to SEK 51,513 thousand.

The accrued interest payable attributable to the convertible debt instruments was recognized as a current liability and at 30 September 2013 amounted to SEK 2,683 thousand. The fair value of the short-term interest payable corresponds to its carrying amount, as the impact of discounting is not significant.

Direct transaction costs attributable to the liability component are accrued over the life of the loan. Deferred tax is attributable to the discounting being done as a result of valuation at amortized cost.

Year-to-date financial expenses in the income statement amounted to SEK -5,436 thousand as a result of the convertible debt instrument. The equivalent expenses for Q3 totalled SEK -3,272 thousand.

Note 9 Deferred tax

A deferred tax liability was recognized, and is related to the surplus value of intangible assets and to temporary differences resulting from the valuation of the debt instrument at amortized cost.

Crown Energy has an unused tax loss and historically has not capitalized a deferred tax asset relating to it as a precaution and in view of uncertainty in the Company's ability to generate future taxable profits. However, Crown Energy has now chosen to offset the loss against the deferred tax liability related to measurement of the convertible debt instrument at amortized cost. Accordingly, a deferred tax asset of the same amount was also recognized. The deferred tax liability and asset were offset in the balance sheet. Deferred tax revenue of SEK 3,580 thousand was recognized in the income statement due to capitalization of the tax loss.

The Board and CEO hereby certify that this interim report gives a fair overview of the Parent Company's and Group's operations, position, and earnings, and describes significant risks and uncertainty factors to which the Group and its companies are exposed.

STOCKHOLM, 21 NOVEMBER 2013

Ulrik Jansson
CEO
Board member

Alan Simonian
Chairman of the Board

Andrew Harriman
Board member

Auditor's report on review of condensed interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed this report for the period 1 January 2013 to 30 September 2013 for Crown Energy AB (publ), corporate identity number 556804-8598. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The review's focus and scope

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 21 November 2013

Öhrlings PricewaterhouseCoopers AB

Peter Burholm
Authorised Public Accountant

Mikael Winkvist
Authorised Public Accountant