



Crown Energy AB (publ)

Interim report, January–March 2013

Crown Energy AB (publ) with its subsidiaries (Crown Energy, the Company, or the Group) is an international oil and gas company engaged in exploration in Equatorial Guinea, South Africa, and Madagascar. Value is created through developing assets in early stages and when ready, introducing a major oil and gas player to the project. The Parent Company, whose commercial domicile is Stockholm, Sweden, is listed on NGM Equity.

- The Group did not generate any revenue in Q1 2013. Operating expenses for the period totalled SEK -2,146,086 (-1,991,101), consisting primarily of employee expenses and other external costs.
- Net loss for the period totalled SEK -2,226,716 (-1,921,664), corresponding to SEK -0.09 (-0.11) per share before and after dilution.
- Capital expenditures during the period totalled SEK 354,390 (2,579,104) and mainly related to exploration activities in license area 3108 on Madagascar.

Condensed consolidated financial information

All amounts in SEK	2013-01-01- 2013-03-31	2012-01-01- 2012-03-31	2012-01-01- 2012-12-31	2011-01-01- 2011-12-31
Other operating income	–	–	–	342,275
Operating expenses	-2,146,086	-1,991,101	-9,300,150	-3,500,625
Operating loss	-2,146,086	-1,991,101	-9,300,150	-3,158,350
Profit/loss from financial items	-80,630	69,437	-409,822	116,425
Net income for the period, after tax	-2,226,716	-1,921,664	-9,709,972	-3,041,925
Earnings per share	-0.09	-0.11	-0.46	-0.76
Equity per share	2.07	1.06	2.15	0.07
Cash flow for the period	-6,403,120	-1,397,643	10,206,787	1,464,527

CEO statement

Dear shareholders,

The first quarter was characterised by intensive efforts to complete the acquisition of licence 2B in South Africa, while ensuring the acquisition's financing. By acquiring 40.5% instead of the 75% that was initially intended, we will have room for expansion in other areas in the future, while lowering our risk exposure. This licence has great potential, and in 2012 the resource base increased by more than 100%.

In February 2013, the seismic surveys for licence 2B in South Africa were completed and appraisal of the material obtained has begun. We assume that during the latter part of 2013, our partners and we will have sufficient information to make decisions about drilling an exploration well under the licence. In Equatorial Guinea, development preparations are progressing as planned, and the licence's appraisal potential will be evaluated at the same time. In Madagascar, preparatory work for drilling one well continued, and geological work was done to gain a better understanding of the very large yet untested structure within the licence area. These efforts led to a significant increase in the licence's prospective resources. We are in discussions with several interested parties to farm out a stake in the licence, consequently eliminating the need for us to invest capital in an initial exploration well.

We look forward to an eventful 2013 with interesting opportunities for the Company to further its growth.

Ulrik Jansson

CEO, Crown Energy AB

Operations – January-March 2013

January-March 2013

Operating expenses totalled SEK -2,146,086 (-1,991,101), of which SEK -1,276,279 (1,163,155) related to other external expenses and SEK -857,265 (-827,946) was for employee expenses. The increase in other external expenses is primarily attributable to increased travel expenses, along with consulting expenses related to preparation of the first IFRS-compliant annual report. Employee expenses increased compared to the same period last year due to the employment of another person in the Parent Company as of January 2013.

Net financial items totalled SEK -80,360 (69,437) for the period, and consisted of exchange differences arising from foreign currency transactions and translation effects of fair value measurement of provisions. The adjustments for fair value and translation differences do not affect cash flow.

Net loss for the period totalled SEK -2,226,716 (-1,921,664), corresponding to SEK -0.09 (-0.11) per share before and after dilution.

Capitalised expenditures on exploration activities for the period totalled SEK 354,390 (2,579,104). The expenditures mainly related to ongoing expenses for geologists. Total capitalised exploration expenditures, which are recognised as intangible non-current assets, totalled SEK 61,305,407 at 31 March 2013, an increase of SEK 359,266 from 31 December 2012. The increase since 31 December 2012 consists of the above-named capital expenditures and translation differences. Translation differences do not affect cash flow. See Note 4, *Intangible assets*, for more information.

Cash and cash equivalents at the end of the period totalled SEK 5,357,905 compared with SEK 163,601 on 31 March 2012 and SEK 11,761,666 on 31 December 2012. Cash flow for Q1 totalled SEK -6,403,120 (1,397,643). The majority of Q1's negative cash flow is due to ongoing operational costs for the period and payment of accounts

payable and accrued expenses that existed as of 31 December 2012. As mentioned earlier, expenditures on licenses affected cash flow by SEK -354,390 (2,579,104) during the period.

Projects

In Q1 2013, no significant exploration work was conducted in Crown Energy's current projects. Following are project status updates.

Block P – Equatorial Guinea

In October 2012, Crown Energy completed the acquisition of DNO's five per cent stake in the exploration and production license Block P offshore Equatorial Guinea, which includes the Venus oil field. The Venus oil field (water depth ca. 250 m) is estimated to contain recoverable P2 reserves of 18 million barrels, gross. For this license, Vaalco Energy Inc. has acquired 31 per cent from Petronas. Vaalco Energy is a Houston-based, New York-listed oil exploration and production company.

In autumn 2012, GE Petrol, the license operator for Block P, submitted an application to the authorities in Equatorial Guinea suggesting that the licensed area be concentrated to the area on and around the existing Venus field. This license area is called the provisional development area (PDA). It covers about 250 square kilometres and includes the Venus field deposit. The area also includes a number of highly interesting identified structures with potential for further deposits. The best estimate of the combined total prospective resources for these structures is around 150 million barrels of oil, all of which lie within the PDA.

Block 2B – South Africa

An updated independent review of the Company's contingent and prospective resources for its South African exploration license Block 2B was completed by Netherland, Sewell & Associates Inc (NSAI) in 2012. Thombo Petroleum Ltd, which holds 75% of the Block 2B license, commissioned this independent report from NSAI. Results from this independent review (Competent Persons Report) shows a sharp increase in prospective resources

from Thombo's original estimate of 179 million barrels to 450 million barrels.

In November 2012, a 3D seismic data and analysis contract was concluded with WesternGeco for the license. The 3D seismic surveys began in January 2013, and, after processing and interpreting the acquired data, final results are expected after the summer of 2013.

3108 Manja – Madagascar

In 2012, Crown Energy worked intensively with preparatory work for drilling with its Madagascar license and with otherwise improving the terms of the license. In August, the Company obtained an extension of the licensing terms for its wholly-owned Manja license on Madagascar. This means that the time span for an initial drilling was extended one year to November 2013 and that further extensions of at least two years may be obtained. This was an important step in the Company's efforts to find a license partner. With the extensive logistics involved in drilling on Madagascar, the Company is now in a better position to do it effectively.

In 2012, the Company also did additional geotechnical and geophysical work on existing data in order to determine the size of recoverable oil and gas reserves in the Madagascar license area with a greater degree of certainty.

The intention of the work done in 2012 was to improve the possibility of finding a future qualitative license partner that we can work with both operationally and financially.

Other

On 24 April 2012, the Company entered into an option agreement with Ulrik Jansson whereby the Company obtains an exclusive right, but not an obligation, to acquire Tigris Oil i Sverige AB (Tigris Oil), which had entered into an agreement with an Iraqi region in 2012. Ulrik Jansson currently owns 100% of Tigris Oil via companies. The agreement gives Tigris Oil the right to explore for oil and gas over a land area of 24,000 square kilometres for

seven years. In order to conduct the amount of exploration work required in the region, including drilling, a financial and industrial partner will be sought. In the event that the Company chooses to exercise the option, which is valid for another six years, a consideration corresponding to a specific share of the financial resources that the partner provides will be paid to a maximum of USD 2 million with an option for the Company to pay via a non-cash issue.

Key events during the period

Efforts to find a license partner on Madagascar continued in Q1.

In the South African license area, 3D seismic surveys were initiated in January 2013. After processing and interpreting the acquired data, final results are expected after the summer of 2013.

Crown Energy Ventures Corporation, a Crown Energy AB subsidiary, entered into an agreement in August 2011 to acquire 75 per cent of the Block 2B license through the acquisition of Thombo Petroleum Ltd for USD 14 million (ca. SEK 90 million). In February 2013, the sellers and the Company instead came to an agreement on implementing the deal with a 40.5 per cent stake in the license and with a proportionally unchanged purchase price, thus totalling about USD 7.6 million (ca. SEK 49 million). This part of the license will be transferred by the sellers to a newly established English company that Crown Energy will acquire in its entirety. This has the great advantage of reducing the Company's exposure and risk associated with an individual license, creating a better balance between the Company's various assets without significantly reducing the upside. The acquisition is subject to South African regulatory approvals, which according to the Board's assessment will be obtained no later than the second half of 2013.

To finance the acquisition, Crown Energy's Board proposed on 27 February 2013 that a resolution on issuance of convertibles for about SEK 64 million with preferential rights for existing shareholders be determined at an extraordinary general meeting. The preferential rights issue was secured through

subscription commitments from existing shareholders and sellers of license Block 2B for 50 per cent of the issue amount and guarantees from investment funds, institutions, and individuals for the remaining 50 per cent of the issue amount. At an extraordinary general meeting on 25 March 2013, it was resolved, as proposed by the Board, to issue a maximum of 6,438,757 convertible instruments with preferential rights for shareholders (preferential rights issue). In addition to the convertible instruments in the preferential rights issue, also approved at the meeting was the Board's proposal of 27 February 2013 requesting that it be allowed to issue an additional maximum 1,000,000 convertible instruments (directed share issue), under the condition that the preferential rights issue is oversubscribed and in deviation from shareholders' preferential right.

Events after the reporting period

In view of the previously mentioned share issue, Crown Energy prepared a prospectus that was approved by the Swedish Financial Supervisory Authority on 2 April 2013.

The subscription period for the previously named convertibles was from 10 April 2013 through 24 April 2013. The convertible issue was subscribed at about 57.7 per cent with preferential rights and about 11.2 per cent without preferential rights. The remaining convertibles, representing about 31.1 per cent of the issue, were subscribed for by the consortium of existing shareholders and external guarantors who agreed to underwrite the convertible issue. The rights issue was thereby fully subscribed.

Upon full conversion, the Company's share capital may increase by a maximum of SEK 189,296.47. The number of Crown Energy shares will increase by 6,438,757 at full conversion.

Crown Energy's intention is to list the convertible instruments on NGM Equity in Stockholm during May 2013.

Outlook

Operations

Crown will continue to develop existing projects, and our steps toward drilling Ambatolava-1 on the Manja license in Madagascar is front and centre. As mentioned earlier, Crown is also working intensively to find a financial and operational license partner as well as an operational partnership between several companies in Madagascar with which drilling costs can be shared.

Crown will also concentrate a lot of energy on developing Block P, where Vaalco Energy Inc has become an interesting partner with interests parallel to Crown's, focusing on the existing Venus license reservoir, which will be completed before further development. A government permit is next on the agenda. There are also very interesting structures around the Venus reservoir that will eventually require further appraisal and work.

Otherwise, Crown continually appraises new opportunities in line with its business concept and goals. The Company hopes to enter into agreements for the acquisition of one or more projects in 2013. However, such projects must be compatible with Crown's basic values regarding political risk, infrastructure, the environment, and potential. Funding for such potential projects, regulatory approvals, and such situations are things that must be dealt with at any given moment and at every opportunity.

Crown Energy is closely following developments in Tigris Oil, which we have an option to acquire and which holds an oil and gas licence in a Sunni region of Iraq. Tigris Oil works with gathering all existing data available within the licence area in order to eventually develop and refine exploration and development for production.

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

Since the Group has not generated any profits, financing has historically been done through new

share issues. As mentioned earlier under *Events after the reporting period*, a convertible issue was effected in Q2 2013 for the purpose of financing the acquisition of the Block 2B license. Besides this issue, the current assessment is that there will be no need for financing of operating activities over the next 12 months.

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 Energy 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 licenses. 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 Q1 totalled SEK -291,444 (-1,438,552). The earnings improvement compared year-on-year is due to the interest income that the Parent Company now gets on receivables from subsidiaries. Interest was also paid over the full year 2012, but was first calculated at year-end 2012. Interest is 10 per cent on intra-group loans and on operating liabilities that are not expected to be repaid within one year.

Cash and cash equivalents at the end of Q1 totalled SEK 4,942,763 (11,562,720). There were 3 (2) persons employed by the Parent Company at the end of the period.

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.

This interim report was not reviewed by the Company's auditors.

STOCKHOLM, 23 MAY 2013

Ulrik Jansson
CEO
Board member

Alan Simonian
Chairman of the Board

Andrew Harriman
Board member

Financial information

- Annual General Meeting 23 May 2013
- Interim report, April-June 2013 22 August 2013
- Interim report, July-September 2013 21 November 2013

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 23 May 2013.

This report was not reviewed by the Company's auditors.

For additional information, contact:

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About Crown Energy AB (publ)

Crown Energy is an international oil and gas company engaged in exploration in Equatorial Guinea, South Africa, and Madagascar. Value is created through developing assets in early stages and when ready, introducing a major oil and gas player to the project. Find out more at www.crownenergy.se.

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Financial statements

Condensed consolidated income statement

All amounts in SEK	Note	2013-01-01	2012-01-01	2012-01-01
		2013-03-31	2012-03-31	2012-12-31
Other operating income		–		–
Other external costs		-1,276,279	-1,163,155	-4,157,428
Employee benefit expenses		-857,265	-827,946	-4,811,669
Other operating expenses		-12,542	–	-331,053
Operating loss		-2,146,086	-1,991,101	-9,300,150
Financial income		32,234	89,455	26,080
Financial expenses		-112,864	-20,018	-435,902
Loss before taxes		-2,226,716	-1,921,664	-9,709,972
Income tax expense		–	–	–
Net loss for the period		-2,226,716	-1,921,664	-9,709,972
Earnings per share and share related data				
Average number of basic shares*	3	25,755,030	17,835,696	20,928,849
Average number of diluted shares*	3	25,755,030	17,835,696	20,928,849
Basic earnings per share*	3	-0.09	-0.11	-0.46
Diluted earnings per share*	3	-0.09	-0.11	-0.46

Condensed consolidated statement of comprehensive income

All amounts in SEK	2013-01-01	2012-01-01	2012-01-01
	2013-03-31	2012-03-31	2012-12-31
Net loss for the period	-2,226,716	-1,921,664	-9,709,972
Other comprehensive income for the period			
Currency translation differences	3,194	121,136	-22,593
Other comprehensive income, net of tax	3,194	121,136	-22,593
Total comprehensive income for the period	-2,223,522	-1,800,528	-9,732,565
Total comprehensive income for the year attributable to:			
Parent company owners	-2,223,522	-1,800,528	-9,732,565
Total comprehensive income for the period	-2,223,522	-1,800,528	-9,732,565

Condensed consolidated statement of financial position

All amounts in SEK	Note	2013-03-31	2012-03-31	2012-12-31
ASSETS				
Non-current assets				
Other intangible assets	4	61,305,407	52,096,144	60,946,141
Total non-current assets		61,305,407	52,096,144	60,946,141
Current assets				
Other current financial assets		5,223,222	1,065,685	4,424,782
Cash and cash equivalents		5,357,905	163,601	11,761,666
Total current assets		10,581,127	1,229,286	16,186,448
TOTAL ASSETS		71,886,534	53,325,430	77,132,589
EQUITY AND LIABILITIES				
All amounts in SEK	Note	2013-03-31	2012-03-31	2012-12-31
EQUITY				
Equity attributed to parent company owners				
Share capital		757,186	538,704	757,186
Other capital contributions		67,662,437	24,295,101	67,662,437
Reserves		-229,647	-89,113	-232,841
Retained earnings		-12,752,939	-3,042,965	-3,042,966
Net loss for the period		-2,226,716	-1,921,664	-9,709,972
Total equity		53,210,321	19,780,063	55,433,843
LIABILITIES				
Non-current liabilities				
Loans from related parties	1	2,854,275	17,298,738	2,854,275
Deferred income tax liabilities		11,310,983	11,340,505	11,309,941
Other provisions	6	2,662,100	2,457,613	2,543,300
Total non-current liabilities		16,827,358	31,096,856	16,707,516
Current liabilities				
Accounts payable		354,601	147,003	2,103,425
Other liabilities		1,494,254	2,301,508	2,887,805
Total current liabilities		1,848,855	2,448,511	4,991,230
TOTAL EQUITY AND LIABILITIES		71,886,534	53,325,430	77,132,589
Pledged assets and contingent liabilities		None	None	None

Condensed consolidated statement of changes in equity

All amounts in SEK	2013-03-31	2012-03-31	2012-12-31
Opening balance	55 433 843	1 246 822	1 246 821
Net loss for the period	-2 226 716	-1 921 664	-9 709 972
Other comprehensive income, net of tax	3 194	121 136	-22 593
Total comprehensive income for the period	-2 223 522	-1 800 528	-9 732 565
Share issue	–	20 333 769	72 181 263
Issue expenses*	–	–	-8 261 676
Closing balance	53 210 321	19 780 063	55 433 843
Attributed to:			
Parent company shareholders	53 210 321	19 780 063	55 433 843
Total equity	53 210 321	19 780 063	55 433 843

*Deferred taxes on issue expenses were not accounted for.

Condensed consolidated statement of cash flows

All amounts in SEK	Note	2013-01-01	2012-01-01	2012-01-01
		2013-03-31	2012-03-31	2012-12-31
Net cash flow from operating activities		-6,048,730	-2,165,640	-9,545,700
Net cash flow used in investing activities	4	-354,390	-2,579,104	-11,791,004
Net cash flows used in financing activities		–	3,347,101	31,543,491
Cash flow for the period		-6,403,120	-1,397,643	10,206,787
Cash, cash equivalents, and bank overdrafts at start of period		11,761,666	1,563,378	1,563,378
Cash flow for the period		-6,403,120	-1,397,643	10,206,787
Exchange gains (losses) on cash and cash equivalents		-642	-2,134	-8,499
Cash and cash equivalents at end of period		5,357,905	163,601	11,761,666

Consolidated key ratios

All amounts in SEK unless otherwise stated	Note	2013-01-01	2012-01-01	2012-01-01	2011-01-01
		2013-03-31	2012-03-31	2012-12-31	2011-12-31
Profit/loss					
Other operating income		–	–	–	342,275
Operating loss		-2,146,086	-1,991,101	-9,300,150	-3,158,350
Net income for the period, after tax		-2,226,716	-1,921,664	-9,709,972	-3,041,925
Earnings yield					
Return on equity, %		neg	neg	neg	neg
Return on assets, %		neg	neg	neg	neg
Financial position					
Equity/assets ratio, %		74.0%	37.1%	71.9%	2.4%
NAV per share		2.07	1.06	2.15	0.07
Total assets		71,886,534	53,325,430	77,132,588	51,958,076
Equity		53,210,322	19,780,063	55,433,843	1,246,822
Cash flow from investments		-354,390	-2,579,104	-11,791,004	-17,974,382
Ratios per share					
Number of shares outstanding	3	25,755,030	18,732,117	25,755,030	17,387,485
Average number of basic shares outstanding	3	25,755,030	17,835,696	20,928,849	3,987,756
Average number of diluted shares outstanding					
	3	25,755,030	17,835,696	20,928,849	3,987,756
Basic earnings per share	3	-0.09	-0.11	-0.46	-0.76
Diluted earnings per share	3	-0.09	-0.11	-0.46	-0.76
Basic equity per share		2.07	1.06	2.15	0.07
Employees					
Average number of employees		3.0	2.0	2.0	0.0

Parent company – condensed income statement

All amounts in SEK	2013-01-01	2012-01-01	2012-01-01
	2013-03-31	2012-03-31	2012-12-31
Other external costs	-854,390	-613,733	-4,266,692
Employee benefit expenses	-857,265	-827,946	-4,811,669
Other operating expenses	-399	–	-317,855
Operating loss	-1,712,054	-1,441,679	-9,396,216
Interest income	89,144	3,127	533
Interest income, intercompany	1,331,466	–	4,640,264
Interest expenses	–	–	-65,330
Loss before taxes	-291,444	-1,438,552	-4,820,749
Income tax expense	–	–	–
Net loss for the period	-291,444	-1,438,552	-4,820,749

Parent company – condensed statement of comprehensive income

All amounts in SEK	2013-01-01	2012-01-01	2012-01-01
	2013-03-31	2012-03-31	2012-12-31
Net loss for the period	-291,444	-1,438,552	-4,820,749
Other comprehensive income for the period			
Other comprehensive income for the period	–	–	–
Other comprehensive income, net of tax	–	–	–
Total comprehensive income for the period	-291,444	-1,438,552	-4,820,749

Parent company – condensed balance sheet

ASSETS

All amounts in SEK	Note	2013-03-31	2012-03-31	2012-12-31
ASSETS				
Non-current assets				
Financial assets				
Shares in group companies		500,000	500,000	500,000
Receivables, group companies		21,243,738	21,243,738	21,243,738
Total non-current assets		21,743,738	21,743,738	21,743,738
Current assets				
Current receivables				
Receivables from group companies		38,012,972	18,530,431	34,240,881
Other current financial assets		1,798,250	501,037	1,047,733
Cash and cash equivalents		4,942,763	76,708	11,562,720
Total current assets		44,753,985	19,108,176	46,851,334
TOTAL ASSETS		66,497,723	40,851,914	68,595,072

EQUITY AND LIABILITIES

All amounts in SEK	Note	2013-03-31	2012-03-31	2012-12-31
EQUITY				
Restricted equity				
Share capital		757,186	538,704	757,186
Total restricted equity		757,186	538,704	757,186
Non-restricted equity				
Share premium reserve		63,662,437	20,295,101	63,662,437
Profit brought forward		-2,319,783	2,500,966	2,500,966
Net loss for the period		-291,444	-1,438,552	-4,820,749
Total non-restricted equity		61,051,210	21,357,515	61,342,654
Total equity		61,808,396	21,896,219	62,099,840
LIABILITIES				
Non-current liabilities				
Loans from related parties	1	2,854,275	17,298,738	2,854,275
Total non-current liabilities		2,854,275	17,298,738	2,854,275
Current liabilities				
Other liabilities		1,835,053	1,656,957	3,640,957
Total current liabilities		1,835,053	1,656,957	3,640,957
TOTAL EQUITY AND LIABILITIES		66,497,723	40,851,914	68,595,072
Pledged assets		None	None	None
Contingent liabilities		None	None	None

Parent company – condensed changes in equity

All amounts in SEK	2013-03-31	2012-03-31	2012-03-31
Opening balance	62,099,840	3,001,002	3,001,002
Net loss for the period	-291,444	-1,438,552	-4,820,749
Other comprehensive income, net of tax	–	–	–
Total comprehensive income for the period	-291,444	-1,438,552	-4,820,749
Share issue	–	20,333,769	72,181,263
Issue expenses*	–	–	-8,261,676
Closing balance	61,808,396	21,896,219	62,099,840

*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, initially Africa. The Group currently focuses on Equatorial Guinea (Block P), South Africa (Block 2B), and Madagascar (3108 Manja).

The Parent Company's commercial domicile is Stockholm, Sweden. The Parent Company is listed on the Nordic Growth Market (NGM) Equity List.

The street address is Engelbrektsgratan 9-11, 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.

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 (0) per cent relates to other companies within the Group as at 31 March 2013. An interest rate of 10 per cent is charged on intra-group loans and on operating liabilities that are not expected to be repaid within one year.

Loans from related parties

The Parent Company took out an interest-free loan from Ulrik Jansson (via Varukungen AB) totalling SEK 2,854,275 as at 31 March 2013. The loan has not changed since year-end 2012.

The loan carries no interest and is renegotiated annually. The next due date is January 2014.

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. During the period, Peter Mikkelsen invoiced for about SEK 16,000 and David Jones for about SEK 95,000.

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 SEK 412,000 were purchased.

Remuneration of senior executives

At an extraordinary general meeting in November 2011, it was resolved to issue up to 450,000 warrants for key persons within the Company. These key persons are hired consultants, not employees of the Company. All warrants were subscribed for, allocated, and were gratuitous. The warrants entitle each holder to subscribe for one share in Crown Energy AB for each warrant held during the period up to and including 28 November 2014. The issue price is SEK 30 per share. No options have been exercised as yet.

Because the fair value at allocation was not a significant amount, the options were not recognised in the income statements or balance sheets.

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. The agreement gives Tigris Oil the right to explore for oil and gas over a land area of 24,000 square kilometres for seven years. In order to conduct the amount of exploration work required in the region, including drilling, a financial and industrial partner will be sought. In the event that the Company chooses to exercise the option, which is valid for another five years, a consideration corresponding to a specific share of the financial resources that the partner provides will be paid to a maximum of USD 2 million with an option for the Company to pay via a non-cash issue. Ulrik Jansson currently holds 15% of the shares in Tigris Oil, 5% directly in the exploration

license with an option to acquire the remaining 85% through 30 June 2015.

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 share has been listed on NGM Equity since 28 December 2012. The five major shareholders as at the publishing of this interim report:

Shareholder	Number of shares	Proportion (%)
Ulrik Jansson, via company	15 267 226	59%
Comtrack Ventures Ltd	2 309 583	9%
Mocoh Resources Ltd	1 426 833	6%
Alan Simonian	1 175 377	5%
Avanza Pension	682 083	3%
Other shareholders	4 893 928	18%
	25 755 030	100%

Note 3 Earnings per share and number of shares

Average number 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 issued 814,954 warrants that could be converted into an equivalent number of ordinary shares. The issue price for these shares is SEK 27.50/share (364,954 warrants) and SEK 30/share (450,000). As the issue price exceeds the average market price of ordinary shares during the recognised periods, there is no dilutive effect.

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 recognised

directly in the currency translation reserve in other comprehensive income. Translation to the closing day rate was recognised only as at 31 December 2012, instead of being regularly recognised during

quarters 1-3 in 2012. In other words, the full-year 2012 effect was recognised in Q4 2012. Below is a summary of movements in intangible assets:

Intangible assets Group	2013-01-01 2013-03-31	2012-01-01 2012-03-31	2013-01-01 2013-03-31
Opening carrying amount	60,946,141	49,517,040	49,517,040
Capital expenditures for the period	354,390	2,579,104	11,791,004
Translation differences	4,876	–	-361,903
Closing accumulated cost	61,305,407	52,096,144	60,946,141

Note 5 Deferred tax

Recognised deferred tax is tax on the surplus value of intangible assets. Deferred taxes arising from the acquisition of a foreign entity are treated as deferred tax liabilities of the entity and are therefore translated at the closing rate. The translation difference that arises is recognised directly in the currency translation reserve in other comprehensive income. The SEK 1,041 decrease between 31 December 2012 and 31 March 2013 relates to translation differences arising from translation from USD to SEK. Translation to the closing day rate was recognised only as at 31 December 2012, instead of being regularly recognised during quarters 1-3 in 2012.

Note 6 Provisions

In connection with the acquisition of subsidiary Amicoh Resources Ltd., an additional consideration of up to USD 4,000,000 was agreed upon in the event of a commercial reservoir discovery on Madagascar. At 31 March 2013, the estimated amount totalled USD 400,000, based on the likelihood of a commercial reservoir. The portion paid at discovery of a commercial reservoir is recognised at a value of SEK 2,411,644 after present value calculations. The period's provision increase of SEK 35,095 (20,017) relates to a

discounting effect due to the present value calculation.

As part of the consideration for Amicoh Resources Limited, it was resolved at the Crown Energy general meeting in November 2011 to also issue 364,954 warrants directed to the seller of Amicoh Resources Limited. The warrants entitle the holder to subscribe for one share in Crown Energy AB for each warrant held during the period up to and including 30 November 2015. The contractual issue price is SEK 27.50 per share. The fair value of the provision for these warrants on 31 March 2013 totalled SEK 250,456. The period's translation effect resulting from remeasurement at fair value totalled SEK 83,707 and entailed that the provision increased by a corresponding amount. This translation was recognised only as at 31 December 2012, instead of being regularly recognised during quarters 1-3 in 2012. In other words, the full-year 2012 effect was recognised in Q4 2012.

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.

On next page is a summary of the provisions:

Provisions Group	2013-03-31	2012-03-31	2012-12-31
Additional consideration, commercial reservoir	2,411,644	2,275,136	2,376,549
Additional consideration, warrants	250,456	182,477	166,751
Closing balance	2,703,464	2,457,613	2,543,300

Provisions Group	2013-03-31	2012-12-31	2012-12-31
Opening balance	2,543,300	2,437,596	2,437,596
Discount effect on provision	35,095	20,017	121,431
Remeasurement effect on provision	83,705	–	-15,727
Closing balance	2,662,100	2,457,613	2,543,300
