



Half year report, January-June 2016

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Second quarter– April-June 2016

- No sales were recognised.
- The operating loss totalled SEK -2,490 thousand (-2,517), consisting primarily of employee benefit expenses and other external costs.
- Profit after tax was SEK 4,724 thousand (-6,599), corresponding to SEK 0.08 per share (-0.16).
- Investments in exploration and evaluation assets totalled SEK 836 thousand (1,464).

H1 – January-June 2016

- No sales were recognised.
- The operating loss totalled SEK -4,346 thousand (-4,308), consisting primarily of employee benefit expenses and other external costs.
- Profit after tax was SEK 651 thousand (-9,426), corresponding to SEK 0.02 per share (-0.27).
- Investments in exploration and evaluation assets totalled SEK 2,475 thousand (5,400).

Key events during the quarter

- The SEK 63 million in proceeds of the directed issue resolved on by the annual general meeting in May 2016 were received on 29 June. The investment in Crown Energy gives the Company a new principal owner and gives investors the option to invest an additional SEK 63 million until May 2018. The issue raised the share capital by 31,500,000 new shares, with a dilutive effect of 34 per cent for existing shareholders.
- The directed issue enabled the repayment of the convertible loans and associated interest. The repayment was made on 30 June. As a result of the delayed payment to the convertible holders, they were also compensated in the form of extra interest from the due date until 30 June. No convertible loans remained after the repayment.

CEO statement

Dear shareholders and investors,

Crown Energy has undergone major changes in the first part of 2016. A year ago, we realigned our strategy to invest everything we had in completing transactions, both in projects and on the company level. As a result, we were able to capitalise the Company in the spring with the help of a new principal owner. This is a key step in the long-term progress of Crown Energy toward its objective of being self-financing via its own earnings, via transactions in existing projects, and also in ongoing efforts to add cash flow generating operations to the Company's existing business areas.

Crown Energy's strategy along with its new principal owner and capital enable us to fulfil the plan and strategy we previously announced. We will update our shareholders and the market on our plans, activities and events crucial for the Company's development on an ongoing basis. We are presently working very intensively on all fronts to ensure that these developments unfold as quickly as possible.

We will also make certain changes to our organisation in conjunction with the capitalisation of the Company. Alan Simonian will be employed by the Company with responsibility for the oil project portfolio, both strategically and in day-to-day operations. This reinforces the Company's position in the projects in which we are currently involved and provides better balance between existing and new projects. This enables us to continue to be a reliable partner in the oil and gas industry and gives us the strength to be a part of its development and future.

Business decisions that affected the Company's performance

Thanks to very hard work in the winter of 2015/2016, the Company was able to propose the directed share issue to Cement Fund to the AGM. The meeting's approval of the transaction gave the Company a new principal owner that will play a major role in facilitating the continuing development of the Company. In discussions between the Company and Cement Fund, the parties saw eye to eye on the way in which a company in the commodities market should progress to more quickly achieve success. Continuing to work hard is a given, but capital and contacts are the key. The transaction which has now been completed substantially strengthens us in this regard. Our strategic choices in 2015 turned out to be a good match with current market trends, thus enabling us to attract investors, capitalise existing and future projects, and continue our journey.

Outlook

The Company now has a more stable foundation than ever before. Our capital and organisation are adapted to accommodate an exciting continuation of Crown Energy's development efforts. We can now take an active approach to our assets and assume a position of strength when new transactions come up in the future. This ensures a bright future for the Company.

Financing

The issue of shares and warrants to Cement Fund gives the Company adequate working and investment capital going forward. We look forward to continuing our efforts to capitalise on our assets, thus creating value for you, our shareholders.

Andreas Forssell
CEO, Crown Energy AB

This information constitutes such information as Crown Energy AB (publ) is required to disclose under the Securities Markets Act. The information was submitted for publication on 11 August 2016 at 8:30 CET.

MORE INFORMATION

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ABOUT CROWN ENERGY

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