

Crown Energy has entered into an agreement to dispose of the majority of its up-stream oil and gas interests

PRESS RELEASE 20/10/2021

INSIDE INFORMATION: Crown Energy AB ("Crown Energy" or the "Company") has today entered into an agreement under which it will dispose of (or grant pre-emption rights over) its up-stream oil and gas assets, excluding licensed operations in South Africa for consideration of up to US\$450 million before deduction of transaction costs (the "Transaction").

TERMS OF THE TRANSACTION

Crown Energy has entered into an agreement dated 20 October 2021 under which the purchaser has the right to acquire (or pre-empt any sale of) Crown's up-stream oil and gas assets (except for operations in South Africa, where the Company has an existing partnership agreement) (the "Agreement"). Under the terms of the Agreement, the purchaser under the Agreement (the "Buyer") has the right to acquire (and/or is granted rights applicable in the event of Crown Energy's disposal) of the Company's up-stream oil and gas assets, including all associated claims and excluding licensed operations in relation to Block 2B in South Africa. Any such acquisition will be effected through the acquisition of the entire issued share capital of the relevant subsidiary entities.

The total consideration amounts to US\$450 million before deduction of transaction costs. Under the terms of the Agreement the Buyer will pay to the Company within 5 Business Days an initial consideration of US\$75 million, which has been paid by way of non-refundable advance payment for the acquisition and/or the grant of rights in respect of the relevant oil & gas assets (the "Initial Consideration").

In addition to the Initial Consideration, the Buyer is obliged to pay an additional US\$8 million to the Company on each 6 month anniversary of signing the Agreement with a final payment of US\$33 million on the 5 year anniversary, up to an aggregate of US\$105 million (the "Additional Consideration"). The Additional Consideration is also paid by way of non-refundable advance payment.

Following the acquisition of the initial subsidiary entity, the Buyer shall also pay up to US\$270 million in earn-out consideration during the earn out period in case certain milestones are achieved.

Any acquisition of a subsidiary entity will be subject to regulatory approval and customary closing conditions. It is expected that completion of the first acquisition contemplated shall occur prior to 20 October 2026.

Pierre-Emmanuel Weil, Chairman of the Board, commented: "We are very proud today. This transaction shows Crown Energy's ability to create significant value from its assets and to create a bright future".

ADVISORS

Crown Energy have appointed Baker & McKenzie's Stockholm and London offices as legal advisors in connection with the Transaction.

RESPONSIBLE PERSONS

This information is information that Crown Energy is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information in this press release has been made public by the responsible person below for publication at the time specified by Crown Energy's news agency Cision by publication of this press release.

Contact persons set out below can be contacted for further information.

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Note: This and other press releases are available at the Company's website:
www.crownenergy.se.

ABOUT CROWN ENERGY

Crown Energy is an international group providing customised solutions for housing, offices and associated services, as well as oil and gas exploration in Africa and the Middle East. For more information, please visit www.crownenergy.se

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and its group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and its group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nordic Growth Market's Rules for issuer whose financial instruments are admitted to trading on main regulated.