CROWN ENERGY CORP
Form 10-Q
May 15, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

Commission file number 0-19365

CROWN ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Utah	87-0368981
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1710 West 2600 South, Woods Cross, Utah, 84087
(Address of principal executive offices, zip code)

(801) 296-0166
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ] .

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X] .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

There were 26,482,388 shares of $0.02 par value common stock outstanding as of March 31, 2003.

CROWN ENERGY CORPORATION

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CROWN ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2003 [unaudited]
CURRENT ASSETS:	
Cash and cash equivalents	$ 1,222,606
Accounts receivable, net of allowance for uncollectible accounts of $167,689 and $175,927 respectively	283,728
Inventory	757,130
Prepaid and other current assets	196,695
Total Current Assets	2,460,159
PROPERTY PLANT, AND EQUIPMENT, Net	8,814,794
OTHER INTANGIBLE ASSETS, Net	12,500
OTHER ASSETS	215,627
TOTAL	$11,503,080

The accompanying notes are an integral part of these consolidated financial statemen

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CROWN ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' DEFICIT

	March 31, 2003 [unaudited]
CURRENT LIABILITIES	
Accounts payable	$ 1,719,356
Preferred stock dividends payable	1,100,000
Accrued expenses	154,056
Accrued interest	255,830
Long-term debt - current portion	383,479
Total current liabilities	3,612,721
MINORITY INTEREST IN CONSOLIDATED JOINT VENTURES	521,331
CAPITALIZATION:	
Long-term debt	2,381,199
Redeemable preferred stock	5,000,000
Stockholders' equity/(deficit):	
Common Stock $0.02 par value 50,000,000 shares authorized	

26,482,388 shares outstanding for each period	529,647
Additional paid in Capital	3,819,417
Stock warrants	186,256
Accumulated deficit	(4,547,491)
Stockholders' equity/(deficit)	(12,171)
TOTAL	$11,503,080

The accompanying notes are an integral part of these consolidated financial stat

CROWN ENERGY CORPORATION
[Unaudited]

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	For the Three Marc 2003
SALES, Net of demerits	$ 114,707
COST OF SALES	773,450
GROSS PROFIT (LOSS)	(658,743)
GENERAL AND ADMINISTRATIVE EXPENSES	336,322
LOSS FROM OPERATIONS	(995,065)
OTHER INCOME (EXPENSES):	
Interest income and other income	1,328
Interest and other expense	(66,235)
Total other income (expense), net	(64,907)
LOSS BEFORE INCOME TAXES AND MINORITY INTERESTS	(1,059,972)
DEFERRED INCOME TAX BENEFIT	---
MINORITY INTEREST IN EARNINGS OF CONSOLIDATED JOINT VENTURE	13,472
NET LOSS	$(1,046,500)
NET LOSS PER COMMON SHARE- Basic and diluted	$ (0.04)

The accompanying notes are an integral part of these consolidated financial statemen

CROWN ENERGY CORPORATION
[Unaudited]

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Thre Mar 2003
Cash flows from operating activities:	
Net income (loss)	$ (1,046,500)
Adjustments to reconcile net income (loss) to net cash used by operating activities:	
Amortization, depreciation and depletion	181,304
Minority interest	(13,472)
Change in assets and liabilities:	
Accounts receivable	255,486
Inventory	(153,024)
Prepaid and other assets	22,054
Accounts payable	(629,886)
Accrued expenses and interest	(7,500)
Total adjustments	(345,038)
Net cash used in operating activities	(1,391,538)
Cash flows used in investing activities:	
Purchase of property and equipment	(34,572)
Cash flows from financing activities:	
Capital contributions from partners	27,228
Payments on long-term debt	(101,580)
Net cash used in financing activities	$ (74,352)

The accompanying notes are an integral part of these consolidated financial stateme

CROWN ENERGY CORPORATION
[Unaudited]

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

[Continued]

	For the Thre Mar 2003
Net Increase (Decrease) in Cash:	$ (1,500,462)
Cash at Beginning of Period	$ 2,723,068
Cash at End of Period	$ 1,222,606
Supplemental Disclosure of Cash Flow Information	
Cash paid during the period:	
Interest	$ 43,508
Income taxes	---

Supplemental Schedule of Non-cash Investing and Financing Activities:

For the period ended March 31, 2003:

During the period, we accrued dividends on preferred stock of $100,000.

For the period ended March 31, 2002:

On February 28, 2002, we issued 13,793,103 shares of common stock to our preferred Stockholders as a payment for preferred stock dividends payable totaling $200,000.

During the period, we accrued dividends on preferred stock of $100,000 and $14,151 of accretion on preferred stock.

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CROWN ENERGY CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

We have prepared the accompanying consolidated financial statements without an audit. In our opinion, all adjustments (which include only normal recurring adjustments) necessary to present fairly our financial position as of March 31, 2003, results of operations and cash flows for the three months ended March 31, 2003, and 2002 have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in our December 31, 2002 Annual Report on Form 10-K. The results of operations for the period ended March 31, 2003, are not necessarily indicative of the operating results for the full year.

Summary of Disputes - We have three outstanding complaints that have been filed against us. One filed by Geneva Rock Products, Inc., one filed by Oriental New Investments, Ltd., and one filed by S & L Industrial. The first of the two foregoing actions were described in detail in our Annual Report on Form 10-K for the year ending December 31, 2002. The S & L Industrial action is discussed in more detail in Part II Item 1. Legal Proceedings.

Organization - Crown Energy Corporation ("CEC") and its wholly-owned subsidiary, Crown Asphalt Products Company ("CAPCO") and Crown Distribution, an entity in which CAPCO and CEC now own all interests (collectively referred to as the "Company"), are engaged in the production, manufacturing, distribution and selling of asphalt products. Crown Distribution owns a majority interest in Cowboy Asphalt Terminal, L.L.C. ("CAT, LLC"). CAT, LLC is a joint venture formed on September 16, 1998, between CAPCO and Foreland Asphalt Corporation ("Foreland"), which owns an asphalt terminal and storage facility. Crown Distribution owns 66.67% and Foreland owns 33.33% of CAT, LLC.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and its wholly or majority-owned subsidiaries. All significant inter-company transactions have been eliminated in consolidation.

NOTE 2 - CAPITAL TRANSACTIONS

Preferred Stock - In September 1997, we sold to an unrelated third party for $5.0 million in cash 500,000 shares of $10 Series A Cumulative Convertible Preferred Stock and a warrant to purchase 925,771 shares at $0.002 per share. In February 2002, the Series A Preferred Stock, the warrant, and all associated rights were purchased from the original holder by Manhattan Goose, LLC, which was then owned 32.5% by Jay Mealey, our Chief Executive Officer, President and a director, and 67.5% by other directors and unrelated parties. During 2002, we paid accrued dividends on the Series A Preferred Stock of $400,000 in cash and $200,000 in 13,793,103 shares of common stock, or at $0.0145 per share, the approximate market price on the date of payment. In November 2002, Jay Mealey acquired the other 67.5% membership interests in Manhattan Goose and simultaneously conveyed all membership interests to the Mealey Family Limited Partnership, which is the current holder of the Series A Preferred Stock, the warrant, all associated rights, and accrued dividends. Mr. Mealey owns 48.5% of the Mealey Family Limited Partnership and is its general partner and his immediate family is its beneficiary.

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CROWN ENERGY CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

As of December 31, 2002, and March 31, 2003, there were dividends payable to the holder of the Series A Preferred Stock of $1.0 million and $1.1 million, respectively, that may, at the election of the holder be taken in cash or common stock. At the market price of $0.018 per share as of April 8, 2003, 61,111,111 shares of common stock would have to be issued to satisfy the dividend payable. The Series A Preferred Stock is convertible to 4,285,000 shares of common stock, if so elected by the holder of the Series A Preferred Stock.

We currently have an authorized capital of 50.0 million shares of common stock, of which approximately 26.5 million shares are issued and outstanding and approximately 3.1 million shares are reserved for issuance on the exercise of outstanding options and warrants, for a total of approximately 29.6 million shares, excluding the shares issuable on conversion of the Series A Preferred Stock, the payment of accrued dividends thereon, and exercise of the warrant. Therefore, there are only approximately 20.4 million shares available for issuance under the Series A Preferred Stock on conversion or the payment of dividends or on exercise of the warrant. We have not undertaken to renegotiate with the Mealey Family Limited Partnership any of the terms of the Series A Preferred Stock or the warrant, do not know whether we will attempt to do so, and have not analyzed our obligations or responsibilities if Mealey Family Limited Partnership would elect to convert the Series A Preferred Stock, demand payment of the dividends in common stock, or exercise the warrant.

NOTE 3 - COMMON STOCKHOLDERS' EQUITY AND REDEEMABLE PREFERRED STOCK

At March 31, 2003, and December 31, 2002, common stockholders' equity and redeemable preferred stock consists of the following:

	2003
Redeemable preferred stock - $0.005 par value; 1,000,000 shares authorized; $10.00 stated value; 500,000 Series A cumulative convertible shares issued and outstanding; original estimated fair market value of $4,716,981, accretion of $0.00 and $47,169 for the periods ended March 31, 2003, and December 31, 2002, respectively, toward the stated value of $5,000,000	$ 5,000,000
Common stockholders' equity:	
Common stock, $0.02 par value; 50,000,000 shares authorized; 26,482,388 shares issued and outstanding at March 31, 2003, and December 31, 2002, respectively	$ 529,647
Additional paid-in capital	3,819,417
Stock warrants outstanding; 400,000 at March 31, 2003, and December 31, 2002	186,256
Accumulated deficit	(4,547,491)
Total	$ (12,171)

CROWN ENERGY CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

NOTE 4 - PROFIT/LOSS PER SHARE

The following table is a reconciliation of the net loss numerator of basic and diluted net loss per common share for the three months ended March 31, 2003 and March 31, 2002:

	2003		
	Loss	Per Share	Loss
Net Profit (Loss)	$(1,046,500)	$(0.04)	$(2,228,78
Redeemable preferred stock dividends and accretion	(100,000)	---	(114,15
Net profit (loss) attributable to common stockholders	$(1,146,500)	$(0.04)	$(2,342,93
Weighted average common shares outstanding - basic and diluted	26,482,388		18,386,53

We had at March 31, 2003, and December 31, 2002, incremental options and warrants to purchase, 3,988,919 shares and 3,163,148 shares of common stock, respectively, that were not included in the computation of diluted earnings (loss) per share because their effect was anti-dilutive. We also had preferred stock outstanding at March 31, 2003, and December 31, 2002, which is convertible into approximately 4,285,000 shares of common stock that was not included in the computation of diluted loss per share as its effect was anti-dilutive. Accordingly, diluted loss per share does not differ from basic loss. As of March 31, 2003, there were preferred stock dividends payable in the amount of $1,100,000. Pursuant to the designations and preferences of the preferred stock, the foregoing dividends could be satisfied, at the option of the holder, by the issuance of shares of the Company's common stock in lieu of cash payments at the "fair market value" of the common stock as defined in the designations and preferences. At the market price of $0.018 per share as of March 31, 2003, 61,111,111 shares of common stock would have to be issued to satisfy the dividend payable.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition, results of operations and related matters includes a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include, by way of illustration and not limitation, statements containing the words "anticipates," "believes," "expects," "intends," "future" and words of similar import that express, either directly or by implication, management's beliefs, expectations or intentions regarding our future performance or future events or trends that may affect us or our results of operations.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, including but not limited to changes in economic conditions generally or with respect to our asphalt products market in particular, new or increased governmental regulation, increased competition, shortages in labor or materials, delays or other difficulties in shipping or transporting, the risk of loss of certain operating assets serving as collateral to secure financing, and other similar risks inherent in our operations or in business operations generally. Any such risks or uncertainties, either alone or in combination with other factors, may cause our actual results, performance or achievements to differ materially from our anticipated future results, performance or achievements (which may be expressed or implied by such forward-looking statements). Consequently, the following management's discussion and analysis, including all forward-looking statements contained therein, is qualified and limited by the foregoing cautionary factors. Interested persons are advised to consider all forward-looking statements within the context of such cautionary factors.

Liquidity and Capital Resources

At March 31, 2003, we had cash and other current assets of $2.5 million, as compared to cash and other current assets of $4.0 million at December 31, 2002. The decrease of approximately $1.5 million was generally due to the net loss incurred during the period, and a pay down of accounts payable. Our business is capital intensive and requires a working capital credit facility to operate efficiently. We have not had such a credit facility since 1999, which has resulted both in lower revenues and lowered profitability. We seek to diminish part of our working capital constraints by structuring supply arrangements; however, there can be no guarantee we will be able to accomplish such arrangements.

Our business requires a large amount of working capital to purchase and store inventory and for accounts receivable and general operations. We do not have adequate working capital to operate our business currently and must rely on outside third-party sources to finance that requirement. We have not had outside working capital financing since 1999. Although the settlement of our obligation to MCNIC in late 2002 releases much of the encumbrance on our assets, we believe it will continue to be very difficult to obtain the working capital needed to operate the business. However, to date, we have been unable to obtain adequate financing on acceptable terms, and we cannot assure that we will be able to. We continue to explore avenues to obtain working capital financing, including supplier financing, through-put arrangements, structured supply arrangements and joint ventures with industry participants, facility leasing and conventional financing from commercial sources. Given our financial condition, generally, outside working capital funding requires personal guarantees, and our officers and directors have been unwilling to provide such guarantees for our benefit as a publicly-held company. Our failure to obtain the necessary working capital financing will likely continue to have a significant negative impact on our future operations and may make it unable for us to continue.

A portion of our accounts receivable is subject to the risks and uncertainties of litigation and related collection risks. See "Item 3. Legal Proceedings." In the event that we are unable to collect our current accounts receivables, we are unable to secure the necessary working capital line of credit for our operations, our operating losses and working capital deficits continue, or if we are unable to recoup our losses, we may not have sufficient capital to operate through 2003.

As of March 31, 2003, we had a working capital deficit of approximately

$1.2 million, an accumulated deficit of $4.5 million, and stockholders' deficit attributable to the common stock of $12,171. Our auditor's report on our financial statements for the year ended December 31, 2002, as for prior years, contained an explanatory paragraph about our ability to continue as a going concern. We continue to suffer from shortages of working capital needed to optimize operating economies. Further, our operating history and the prevailing current conditions in the investment markets generally have made it difficult to obtain outside equity capital. Given our financial condition, generally, outside working capital funding requires personal guarantees, and our officers and directors have been unwilling to provide such guarantees for our benefit as a publicly-held company. The market price for our common stock has ranged from a low of $0.008 to a high of $0.055 during 2002, closing on March 28, 2003, at $0.018 per share. Finally, we have reviewed the costs required to meet regulatory and stockholder requirements associated with being a publicly held company subject to the periodic reporting, proxy and other requirements under the Securities Exchange Act along with the increased cost of insurance and other burdens we believe result from the enactment of the Sarbanes-Oxley Act of 2002, particularly for a small company such as us.

In view the foregoing, in March 2003, our board of directors, which includes affiliates of our principal stockholders, authorized management to investigate available alternatives for a so-called "going private" transaction, with the effect that we would become privately held by our current principal stockholders, subject to satisfying various regulatory requirements. This investigation will include a review of available alternatives and their related legal, financial, regulatory and related considerations. In connection with that investigation, management may seek a third party valuation of our Company and the interests of our minority stockholders from a financial point of view. We cannot give any assurance of when or if a going private transaction will take place or describe the terms on which it might be proposed or completed.

We continue to consider other asphalt-related business opportunities to complement our existing asphalt distribution capabilities. However, we anticipate that many opportunities may require additional capital, and we cannot assure that we can obtain additional capital required to finance such opportunities on acceptable terms and conditions.

A portion of our accounts receivable is subject to the risks and uncertainties of litigation and related collection risks. See "Item 3. Legal Proceedings." In the event that we are unable to collect our current accounts receivables, we are unable to secure the necessary working capital line-of-credit for our operations, our operating losses and working capital deficits continue, or if we are unable to recoup our losses, we may not have sufficient capital to operate through 2003.

Accounting Policies

Inventory consists principally of refined products and chemical supplies, which are valued at the lower of cost (computed on a first in, first out basis) or market.

Revenue recognition for sales of product is recognized when a contract is executed or a valid purchase order has been received, product has been shipped, the selling price is fixed or determinable, and collectibility is reasonably assured.

Property, plant and equipment are recorded at cost and are depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method for financial reporting purposes. The estimated useful lives of property, plant, and equipment are as follows:

Plant and improvements and tankage	10-30 years

Equipment	7 years
Vehicles	5 years
Computer equipment, furniture and fixtures	3 years

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of receivables. In the normal course of business, the Company performs ongoing credit evaluations of its customers and maintains allowances for possible losses that, when realized, have been within the range of management's expectations.

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Results of Operations

For the three month period ending March 31, 2003, compared to the three month period ending March 31, 2002

Total revenue decreased from $468,321 for the three-month period ended March 31, 2002, to $114,707 for the three-month period ended March 31, 2003, a decrease of $353,614. Cost of sales decreased from $1,312,300 for the same period in 2002 to $773,450 for the same period in 2003, a decrease of $538,850. The decrease in revenues was primarily the result of a decrease in sales volume of approximately 2,561 tons. In 2002, mild weather enabled us to supply a contract with an early season start, while, as is more typically the case, in 2003 the weather in our area did not allow for early season work. The decrease in cost of sales in the 2003 interim period is primarily the result of the reduced volume of asphalt sold and a reduction of operating expenses in preparing the facilities for 2003.

General and administrative expenses decreased from $622,902 for the three-month period ended March 31, 2002, to $336,322 for the three-month period ended March 31, 2003, a decrease of $286,580. This decrease is primarily due to decreased legal expenses, rent expense for our administrative offices, and a reduction in salaries and wages.

Net other income/expenses decreased from an expense of $770,269 for the three-month period ended March 31, 2002, to $64,907 for the three-month period ended March 31, 2003, a decrease of $705,362. This decrease is primarily due to the extinguishment of debt through a settlement with MCNIC on October 16, 2002.

Minority interest of $13,472 represents Foreland's approximate 33% interest in the loss of CAT, LLC.

ITEM 3. QUANTITATIVE AND QUALITATIVE
DISCLOSURES ABOUT MARKET RISK

We do not believe we are subject to material market risks, such as interest rate risks, foreign currency exchange rate risks, or similar risks, and therefore, we do not engage in transactions, such as hedging or similar transactions in derivative financial instruments, intended to reduce our exposure to such risks. However, we are subject to general market fluctuations related to the purchase of base stock asphalt and may suffer reduced operating margins to the extent our increased costs are not passed through to our customers. Such prices generally fluctuate with the price of crude oil.

We are also subject to certain price escalation and de-escalation clauses in our asphalt distribution sales contracts. We supply asphalt to projects in certain states where regulations provide for escalation and de-escalation of the price for such asphalt relative to the price difference from the time the project is awarded to the successful bidding company and the time the project is completed. We include such de-escalation risk into our bid prices and do not believe we have material exposure to risk resulting from these regulations.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

Based on their evaluations as of a date within 90 days of the filing date of this report, the principal executive officer and principal financial officer of the Company have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act) are effective to ensure that information required to be disclosed by the Company in reports that the Company files or submits under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

(b) Changes in internal controls

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these internal controls subsequent to the date of their most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On April 9, 2003, an action was filed against us by S & L Industrial in the Fifth Judicial District of Big Horn County, Wyoming. In the action, S & L seeks to recover amounts which were offset by us against the purchase price under our asset purchase agreement with S & L due to deficiencies which we felt existed with regard to the purchased assets. The assets purchased from S & L comprise our Rawlins terminal in Rawlins, Wyoming. S & L disputes our offsets.

We have not yet answered S & L's claim but intend to vigorously contest its charges. Due to the very early stages of the action, there can be no assurance that we will ultimately prevail or what the outcome will be.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

As noted elsewhere in this report, as of September 30, 2002, there were arrearages in the amount of $1,100,000 on dividends on our preferred stock. Pursuant to the designations and preferences of the preferred stock, the foregoing arrearages could be satisfied, at the option of the holder, by the issuance of shares of our common stock in lieu of cash payments at the "fair market value" of the common stock as defined in the designations and preferences. As of March 31, 2003, approximately 61,111,111 shares of common stock would have been issuable at the then "fair market value" in satisfaction of the preferred stock dividend arrearages.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORT ON FORM 8-K

(a) Exhibits: The following exhibits are included as part of this report:

Exhibit Number	SEC Reference Number	Title of Document	Location
99.01	99	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)	This filing
99.02	99	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)	This filing

(b) Reports on Form 8-K: We did not file any reports on Form 8-K for the quarter ended March 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN ENERGY CORPORATION
(Registrant)

Date: May 15, 2003

By: /s/ Jay Mealey

Jay Mealey, Chief Executive Officer

Date: May 15, 2003

By: /s/ Alan Parker

Alan Parker, Controller

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CERTIFICATION

I, Jay Mealey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Energy Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Jay Mealey

Jay Mealey
Principal Executive Officer

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CERTIFICATION

I, Alan L. Parker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Energy Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Alan L. Parker

Alan L. Parker
Principal Financial Officer