



SWALA OIL AND GAS (TANZANIA) LIMITED
Company Number 84838

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AWARD OF 2013 TANZANIAN 2D SEISMIC ACQUISITION PROGRAMME

Swala Oil and Gas (Tanzania) Limited (Swala) is pleased to announce that it has awarded its 2013 2D seismic acquisition contract to Polaris International Ltd. ("Polaris"), a company with experience of conducting operations in the area. The value of this contract is US\$7.3MM (net to SOGTL US\$3.66MM). SOGTL, together with its Joint Venture partner Otto Energy (Tanzania) Pty Ltd is in the Second Contract Year of the Exploration Work Programme for the Pangani and Kilosa-Kilombero Licence Areas. The major part of that work programme comprises acquisition of 300km 2D seismic in Kilosa-Kilombero and 200km in Pangani. The total 500km programme is expected to be conducted between June and September 2013.

The airborne gravity-magnetic surveys conducted during year one of the exploration programme in 2012 demonstrated the potential for 3 significant sedimentary basins in Kilosa-Kilombero and two further basins in Pangani. This information has allowed Swala to focus its new 2013 seismic programme on these prospective basin areas.

The acquired seismic data will allow the Joint Venture partners to map important structural trends and understand the thickness and volume of depositional fill in the prospective basins. This will lead to a better understanding of the hydrocarbon charge system and help to identify key structural trends where drilling targets may be identified for follow-up.

Dr. David Mestres Ridge, Swala's CEO said *"We are delighted to announce the award of the seismic acquisition contract to Polaris after much effort on the part of our technical team and negotiations with the prospective contractors. This seismic survey programme represents a significant step in the Company's commitment to continued exploration activities in East Africa. The US\$7.3MM, 500km programme will enable the Company to also gain a better overall understanding of the basins such that specific areas of interest can be targeted for infill seismic and drilling."*

For further information please contact:

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