

## **SWALA OIL AND GAS (TANZANIA) LIMITED**

Company Number 84838

**Press Release**

**31 July 2013**

### **MANAGEMENT OF LOCAL SHARES – EXPRESSIONS OF INTEREST**

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Swala Oil and Gas (Tanzania) Limited (“Swala”) today announced to release 3.27 million shares that the Company had set aside to be used for the benefit of local communities in its areas of operations. The Company is owned 65.13% by Swala Energy Limited a company listed on the Australian Stock Exchange (ASX) with ticker “SWE” and 25.28% by local investors. The additional shares earmarked for the local communities represent the remaining 9.59% of the company.

Mr. Ernest Massawe, Chairman of Swala Oil & Gas (Tanzania) Limited said “We invite expression of interest for the management of the 3.27 million shares that we set aside when the company was established in July 2011 for the benefit of local communities who often see little of the value that can accrue to investors in natural resources. We have spent a long time assessing how best to maximize the value of our activities to the country and have recently demonstrated our dedication to sustainability through education by sponsoring Geology students at DSM University. With this step we confirm our commitment to develop and benefit the Tanzania communities and hope that it will be replicated by other companies and industries in Tanzania.”

Since its establishment Swala has carried out a review of possible approaches to maximizing the value of the shares it set aside for the local communities and has concluded that the best approach combines local improvement activities and the promotion of local enterprise. It now seeks Expressions of Interest in managing this portfolio from entities with an appropriate level of development expertise.

Dr. David Mestres Ridge, CEO, elaborated that “When we established Swala we deliberately ring-fenced equity to be set aside for the benefit of local people in the areas where we operate. In effect, this gives a degree of local ownership that is unprecedented in East Africa and we aim in this way to bring some of the benefits that accrue to investors in oil and gas companies to the local communities. At the same time, we recognize that managing this shareholding does not lie within Swala’s expertise and are therefore looking to partner with an

**Swala Oil and Gas (Tanzania) Limited**

3rd Floor Regent Business Park, 172 Chwaku Street, P.O Box 105266, Dar es Salaam, TANZANIA

entity that can bring that expertise to this initiative.”

Mr. Ken Russell, Chairman of Swala Energy Limited concluded “Swala Energy owns 65.13% of the equity in Swala Tanzania and recognized early on the need to address the interests of local communities so that they too can participate in the future success of the companies. Engaging an expert group to manage these interests is the next logical step as the Company continues to grow in the East African region.”

Interested parties should contact the Finance Director, [Selemani.pongolani@swala-energy.com](mailto:Selemani.pongolani@swala-energy.com) by the 31<sup>st</sup> August 2013.

### **About Swala:**

Swala is an affiliated company to Swala Energy Limited, a company in turn listed on the Australian Stock Exchange (ASX) with ticker “SWE”. Swala holds assets in the world-class East African Rift System with a total net land package in excess of 17,500km<sup>2</sup>. New discoveries have been announced by industry participants in a number of licences along this trend, including Ngamia and Twigga, which extend the multi-billion barrel Albert Graben play so successfully developed by Tullow Oil into the eastern arm of the rift. Swala has an active operational and business development programme to continue to grow its presence in the hydrocarbon provinces of East Africa.

For further information please contact:

Swala Oil and Gas (Tanzania) Limited  
Selemani Pongolani (Finance Director)  
[Selemani.pongolani@swala-energy.com](mailto:Selemani.pongolani@swala-energy.com)  
[www.swala-energy.co.tz](http://www.swala-energy.co.tz)

Frontline Porter Novelli  
Irene Kiwia (MD)  
T: +255 787 611 213  
[Irene@frontline.co.tz](mailto:Irene@frontline.co.tz)