

PRESS RELEASE (DSE:SWALA)

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TWO-YEAR EXTENSION TO THE KILOSA-KILOMBERO LICENCE

Swala Oil & Gas (Tanzania) plc (“Swala” or “the Company”) is pleased to advise that it has received an extension to the Kilosa-Kilombero licence from the Ministry of Energy in Tanzania.

The licence extension, valid for two years from the 18th of August 2021, was confirmed following discussions with the Tanzanian Petroleum Development Corporation on the 10th of September 2021, and allows for the Company to

- Refresh the Environmental Impact Assessment first completed for operations in 2016 and which has a validity of five years;
- Refresh the rig evaluation and selection studies to include rig-sharing or shallower rigs from neighbouring jurisdictions;
- Secure all necessary permits including those from the Tanzanian Wildlife Authority (“TAWA”), Tanroads and the Rufiji Water Board.
- Drill one exploration well targeting the Kito prospect (‘best estimate’ net to the Company 147mmbbls).

Mr. Abdullah Mwinyi (Swala Chairman) said: “The one-year licence extensions were operationally difficult to manage because we have to do again a lot of the work that we prepared in anticipation of drilling in 2016, and this could not be fitted into a single contract year. The two-year extension granted by the Ministry removes the commercial uncertainty and is a positive development in the restructuring discussions of which we notified the market on the 9th of September 2021.”

For further information please contact:

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About Swala:

Swala is the first Oil and Gas company listed on an East African Stock Exchange with a significant local ownership. Swala holds assets in the world-class East African Rift System with a total net land package in excess of 14,000 km² as well as a 7.93% interest in PAE PanAfrican Energy Corporation. New discoveries have been announced by industry participants in a number of licences along this trend that 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 and globally.