

PRESS RELEASE

(DSE:SWALA)

2nd Floor Oyster Plaza, Plot No.1196
Oysterbay, Haile Selassie Road,
P.O. Box 105266, DSM, Tanzania

TEL +255 (0) 755 687 785

7 August 2018

SWALA RECEIVES APPROVAL TO LIST BONDS ON THE STOCK EXCHANGE OF MAURITIUS

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") is pleased to announce that the Stock Exchange of Mauritius ("SEM") has approved the Company's Listing Prospectus, allowing the listing of the Company's US\$50 million Corporate Bonds on the SEM. The Company first announced the move to Mauritius on the 2nd of July 2018. The Company and its advisors intend to proceed to finalising the financing for the second and third tranches of the transaction with Orca Exploration Group Inc.

The Listing Prospectus will be available for review on the Company's website, www.swalaoilandgas.com.

The Company's shares remain suspended on the Dar es Salaam Stock Exchange pursuant to its announcement of the 6th August 2018.

Dr. David Mestres Ridge (Swala CEO) said: "We are pleased to have concluded the listing process on a stock exchange such as that of Mauritius and will now start placing the bonds with sophisticated investors and Company shareholders with whom we have engaged constantly over the past months. We aim to complete the placing over the next two to three weeks, reflecting the interest that this first Tanzanian oil and gas industry bond has awakened in Tanzania and elsewhere."

For further information please contact:

Swala Oil & Gas (Tanzania) plc
Ms. Janeth Mapundi
Janeth.mapundi@swalaoilandgas.com
www.swalaoilandgas.com

Arch Financial & Investment Advisory Limited
Mr. Iyen Nsemwa
nsemwa@archfinancial.co.tz

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.

About the Stock Exchange of Mauritius.

The Stock Exchange of Mauritius ("SEM") was incorporated in Mauritius on March 30, 1989 under the Stock Exchange Act 1988, as a private limited company responsible for the operation and promotion of an efficient and regulated securities market in Mauritius. Since 06 October 2008, SEM became a public company. The activities of the SEM are regulated by the Financial Services Commission.

PRESS RELEASE

(DSE:SWALA)

2nd Floor Oyster Plaza, Plot No.1196
Oysterbay, Haile Selassie Road,
P.O. Box 105266, DSM, Tanzania

TEL +255 (0) 755 687 785

The Stock Exchange of Mauritius operates two markets: The Official Market and the Development & Enterprise Market (“DEM”). SEM can list, trade and settle equity and debt products in USD, EUR, GBP, ZAR besides the local currency MUR. Local investors account for about 60 % of the daily trading activities, and foreign investors account for the 40 % remaining. Foreign investors benefit from numerous incentives such as revenue on sale of shares can be freely repatriated and there is no withholding tax on dividends and no tax on capital gains. Currently, there are 51 companies listed on the Official Market representing a market capitalisation of nearly US\$ 10.1 billion as at 30 April 2018. The DEM was launched on 04 August 2006 for mid-cap companies and there are presently 43 companies listed on this market with a market capitalisation of nearly US\$ 1.8 billion as at 30 April 2018.

The SEM is since 2005, a full-fledged member of the World Federation of Exchanges (“WFE”), a central reference point and standards setter for exchanges and the securities industry in the world. In March 2010, the SEM was also designated by the Cayman Islands Monetary Authority (“CIMA”), an Approved Stock Exchange. The CIMA recognition undoubtedly raises the profile of the SEM as a well-structured and properly regulated Exchange and enhances SEM’s position as an attractive Listing venue for global and specialised funds. With effect from 31 January 2011, SEM was also designated by the United Kingdom’s Her Majesty’s Revenue and Customs (“HMRC”), as a “recognised Stock Exchange”, as a result of which, securities traded and listed on the Official Market of the SEM meet the HMRC interpretation of “listed” as set out in section 1005 (3) (a) and (3) (b) Income Tax Act 2007. SEM is also regarded as a ‘recognised Stock Exchange’ for Inheritance Tax purposes. This designation confers several potential benefits for SEM. In the first place, UK pension schemes will be permitted to hold securities listed on the Official Market of the SEM, giving companies and funds listed on SEM access to a larger market of sophisticated, well-capitalised investors. The designation reinforces SEM’s attractiveness as a listing venue for global funds and specialized products. Securities listed on the Official Market of the SEM may be held in tax advantaged Individual Savings Accounts (ISA’s) and Personal Equity Plans (“PEP’s”) by UK investors. Holders of debt securities satisfying the Eurobond exemption and listed on the Official Market of the SEM are exempted from withholding tax on distributions underlying these debt securities. Inheritance tax advantages may accrue to UK holders of securities listed on the Official Market of the SEM.

Further information on the Stock Exchange of Mauritius can be found at: <http://www.stockexchangeofmauritius.com>