

# PRESS RELEASE

(DSE:SWALA)

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## SWALA AGREES LOAN SETTLEMENT AND SHARE DISTRIBUTION TO SWE SHAREHOLDERS

Swala Oil & Gas (Tanzania) PLC (“Swala” or the “Company”) is pleased to advise that it has reached agreement with the administrator of its major shareholder, Swala Energy Limited (subject to Deed of Company Arrangement) (“SWE”), under the terms of which:

- the Company shall settle the outstanding loan agreement between the Company and SWE by paying the SWE Creditors Trust the sum of A\$1 million (ca. US\$750,000) (the “Settlement Amount”) within 90 days; and
- upon payment of the Settlement Amount, and the satisfaction of certain other conditions precedent, the 58.5 million Swala shares held by SWE shall be transferred to an independent company for subsequent distribution to the current SWE shareholders.

Dr. David Mestres Ridge, Swala CEO, said: “This agreement allows the parties to settle the outstanding loan agreement to their mutual benefit and aims for the current SWE shareholders to benefit from the Swala shares currently held by SWE. Following the completion of the actions contemplated by these agreements, there will be several processes to undergo to transfer title of any shares and these shall be guided by a third party. We shall issue further advice on the process as and when it is appropriate to do so.”

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 km<sup>2</sup>. 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.