

## PRESS RELEASE (DSE:SWALA)

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2nd July 2018

### **SWALA ANNOUNCES TWO-WEEK EXTENSION TO CLOSING DATES OF ORCA INVESTMENT FOLLOWING MOVE TO MAURITIUS LISTING**

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") today announced that Orca Exploration Group Inc. ("Orca") has agreed to a two-week extension to the date by which the second closing and third closing of the previously announced investment by the Company in the Orca group of up to US\$130 million must be completed, from 29<sup>th</sup> June 2018 to 13<sup>th</sup> July 2018.

The Company submitted its application to list its planned \$50 million (with Greenshoe rights) Corporate Bond issue on the Dar es Salaam Stock Exchange ("DSE") to the Capital Markets and Securities Authority ("CMSA") on the 5th January 2018 and withdrew it on the 2nd of May 2018 after which, following a review of alternative venues that identified significant advantages for bond investors from a listing in Mauritius, it started the process of applying to list these bonds on the Stock Exchange of Mauritius with the assistance of GFin Corporate Services Ltd. ("GFin"). The extension to the second and third closing dates, from a previously announced initial closing date of 14th May 2018, have been necessary because of the preferred change of listing venue. The Company understands that the listing process of the Corporate Bonds on the Stock Exchange of Mauritius is close to completion. Pursuant to Resolution 11 of the Company's AGM of the 31st January 2018, the Company's shareholders and ultimate beneficial owners are entitled to participate in this bond issue. Any shareholder and ultimate beneficial owner wishing to exercise these rights should write to the Company or its broker by the 13th July 2018.

The Company's shares remain listed on the Dar es Salaam Stock Exchange with ticker "DSE: SWALA".

The Stock Exchange of Mauritius is well-positioned as an attractive capital raising and listing platform for international issuers and is the only exchange in Africa possessing a multi-currency listing. Foreign investors benefit from numerous incentives such as the free repatriation of revenue on sale of shares, lack of withholding tax on dividends and absence of tax on capital gains. The Corporate Bonds will be multi-currency bonds (issued in Euros, US Dollars, South African Rands, Mauritian Rupees and Swiss Francs) with a tenor of five years and a coupon of 14.5% and will be placed with sophisticated investors in a private placement. The funds will be used to acquire up to an additional 32.07% of PAE PanAfrican Energy Corporation, completing the transaction between the Company and Orca that was announced to the market on the 2nd January 2018.

Dr. David Mestres Ridge (Swala CEO) said: "The Company sought first to list on the DSE in line with its stated commitment to the development of the Tanzanian capital markets but, in May 2018, the Company and its advisors decided to seek instead a listing on the Stock Exchange of Mauritius, an exchange with an international and investor-focused tradition and is progressing discussions with a number of investors in, amongst others, Kenya, Tanzania and Mauritius. Whilst there can be no assurance that these discussions or any of them will complete, the Company is confident that demand for its Corporate Bonds remains strong as investors await the approval by the SEM of the Corporate Bond's Listing Particulars. Separate discussions are being held with several of these investors on a potential equity-linked tranche, which would reduce the Company's projected leverage and improve projected cashflows."

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> 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 GFin Corporate Services Ltd.

GFin Corporate Services Ltd. ("GFin") is a Mauritius advisory and administration firm providing legal, tax, fiduciary, investment and fund administration services to private, corporate and institutional clients. GFin is licensed by the Mauritian regulator, the Financial Services Commission ("FSC"), with a team of 80 professionals and with total aggregate assets under management and investment of funds and other entities where GFin is the administrator in excess \$11 billion. Further information on GFin can be found at: <http://www.gfingroup.com>

## 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.

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 are 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>