

PRESS RELEASE

(DSE:SWALA)

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TRADING HALT DURING EQUITY INVESTMENT DISCUSSIONS

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") advises that its securities will be placed in Trading Halt at the request of the Company, pending the release of an announcement by the Company in relation to a third-party equity investment in the Company. Unless DSE decides otherwise, the securities will remain in a Trading Halt until the earlier of commencement of normal trading on Monday, 6th August or when the announcement is released to the market. The Company's shares remain listed on the Dar es Salaam Stock Exchange with ticker "DSE: SWALA".

Discussions with the prospective investor remain at an early stage and there is no certainty that a transaction will be completed. As announced earlier this year, Swala successfully raised a gross US\$25,000,000 (USD 25 million) from US institutions under an early bird 144A USD bond offering and has submitted a planned corporate bond issue on the Stock Exchange of Mauritius for US\$50,000,000 (USD 50 million), with Greenshoe rights. The Company intends to formally launch this bond once regulatory approval is received.

Exotix Capital is advisor to the Company and Global Coordinator on the corporate bond.

Funds raised from the proposed share issuance and corporate bond will be used to complete the acquisition of up to a further 32.07% of the shares of PAE PanAfrican Energy Corporation pursuant to the Company's announcement of the 2nd January 2018.

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.

About Exotix:

Exotix Capital provides the most comprehensive and integrated cross-asset platform to penetrate the full capital structure in developing markets worldwide. Analysts spanning Emerging Europe, the Middle East, Africa, Asia and the Americas cover over 170 companies and government entities, more than any Frontier Markets firm. Stretching well beyond the equity and fixed-income markets, the Exotix advisory team provides the full range of investment banking services to companies, financial institutions, investment funds and governments. These include strategic advisory assignments from debt capital to private equity fund raising. More information is available at www.exotix.com