

PRESS RELEASE

(DSE:SWALA)

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UPDATE ON DISPUTE WITH INVENIRE PETRODYNE LIMITED

Swala Oil & Gas (Tanzania) plc (“Swala” or “the Company”) provides the following update on its dispute with Invenire Petrodyne Limited (“IPL”, formerly Tata Petrodyne Limited).

On the 5th December 2019 the Company advised that it had required IPL to withdraw from the Joint Operating Agreement and the Production Sharing Agreement for the Kilosa-Kilombero licence. On the 26th May 2020 the Company submitted a request for arbitration to the International Chamber of Commerce (“ICC”).

Dr. David Mestres (Swala CEO) said: “We attempted to resolve this matter amicably but have been left with no alternative but to present the matter for resolution by arbitration. We are currently working with TPDC to resolve the mechanics of the transfer of the equity in Kilosa-Kilombero formerly held by IPL to Swala, and to progress the multi-year drilling campaign for the Kito well which requires initial rig selection in 2020 for a 2021 exploration well.”

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.