

# PRESS RELEASE

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## UPDATE ON TANZANIA OPERATIONAL RESULTS

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") notes the positive operational update announced by Orca Exploration Group Inc. on the 2nd October 2019 that, on the 25th September 2019, PanAfrican Energy Tanzania Limited ("PAET") agreed an amendment to its gas sales agreement with the Tanzania Petroleum Development Corporation ("TPDC") that raises the Minimum Daily Quantity sold to TPDC from 20 mmscfd to 30 mmscfd.

Gas sold by PAET to the Power Sector was sold at an average of \$3.68 per thousand cubic feet in 2018, gross of the tariff for processing and transportation costs, TPDC profit share, Additional Profits Tax and the IFC Participation Interest. TPDC sells this gas to power and higher-value industrial customers, primarily in the Dar es Salaam area.

The Company also notes the description of initiatives that require clarity in respect of the PAET Production Sharing Agreement, the development of regional infrastructure and a licence extension that allows the investment of significant development capital expenditure. Whilst these initiatives are positive, the Company is not aware that any are certain or close to completion

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.