

PRESS RELEASE (DSE:SWALA)

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UPDATE ON KILOSA-KILOMBERO LICENSE IN TANZANIA

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") is pleased to announce the resolution of issues relating to cash calls with Tata Petrodyne Limited ("TPL") in regard to Kilosa-Kilombero licence. The Joint Venture thus has started to re-engage the technical team to prepare planning of the drilling programme and, with the Tanzania Petroleum Development Corporation ("TPDC"), will start a series of information visits to advise the local communities of the upcoming activity.

Dr. David Mestres Ridge, Swala CEO, said: "We are pleased that the Joint Venture is once again advancing the Kito-1 well, with both Swala and TPL working closely with TPDC and the Government of Tanzania to ensure its successful drilling later in 2017."

Mr. SV Rao, TPL CEO, said: "We are happy that outstanding issues with JV are now resolved and JV is proceeding with Kito-1 well. Looking forward to a successful drilling of the well in 2017 drilling window."

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. 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