

PRESS RELEASE (DSE:SWALA)

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PERMIT APPLICATION OPENS WAY TO DRILLING KITO-1 IN 2019

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") is pleased to advise that it has today completed its obligations under the Memorandum of Understanding agreed between the Company (representing the Kilosa-Kilombero Joint Venture), the Tanzania Petroleum Development Corporation ("TPDC") and the Tanzania Wildlife Authority ("TAWA") as notified to the market on 30th May 2018.

With the completion of these obligations, TAWA is now obliged to issue the Company with all necessary permits to access the Kito-1 drilling site in 2019 as soon as reasonably practical. The Joint Venture continues to pre-invest in the 2019 drilling campaign whilst it awaits these permits and is exploring the possibility of rig-sharing with other operators in parallel with its own procurement process.

Dr. David Mestres Ridge said: "Swala has again completed its part of the agreement and we look forward to TAWA and TPDC issuing all necessary permits to allow the Kito-1 well to be drilled in 2019. The Company is progressing its procurement programme and is exploring the possibility of collaborating with other regional operators to reduce costs for all participants."

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.