

PRESS RELEASE (DSE:SWALA)

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SWALA ENGAGES EXOTIX PARTNERS LLP TO RAISE UP TO \$120 MILLION PROJECT FINANCE

Swala Oil & Gas (Tanzania) plc ("Swala"), the first oil and gas company listed on the Dar es Salaam stock exchange with a significant local ownership, has engaged Exotix Partners LLP ("Exotix") to place corporate bonds of up to a value of \$120 million in order to finance a material transaction. The move follows Swala's successful acquisition of Block D in Burundi as part of its strategic intent of continuing to expand operations into other African jurisdictions.

Dr. David Mestres Ridge (Swala's CEO) said: "We took the decision earlier this year to balance our asset portfolio and to expand our area of operations, and we are in reasonably advanced discussions aimed at achieving those objectives. Engaging Exotix, with its unmatched experience in raising funds for African projects, is a step towards completing that transaction. As an active supporter of the development of the Tanzanian capital markets, Swala will also invite interested Tanzanian institutions, along with other investors, to participate in this Exotix placement."

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 8,500 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.

About Exotix

Exotix, a leading boutique investment bank for frontier markets, was recently awarded Africa Investor's Best Performing Broker in Africa award for 2016, Global Finance magazine's Best Boutique Investment Bank in Africa for 2016 and EMEA Finance's Best Broker in Nigeria & Best Broker in Tanzania, also for 2016. See www.exotix.com for further background.

Disclaimer: Forward-Looking Information

Certain information in this news release constitutes forward-looking statements or information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable securities legislation. In particular, forward-looking statements in this news release include statements relating to a proposed material transaction. Swala has provided the forward-looking information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the necessary government, regulatory, board, shareholder and other third party approvals. There can be no assurance that the proposed transaction will proceed on the basis set out above or at all.

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