

PRESS RELEASE

(DSE:SWALA)

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CLASS 1 SENIOR NOTES SOLD TO PRIVATE EQUITY GROUP

Swala Oil & Gas (Tanzania) plc (“Swala” or “the Company”) provides an update to its market announcement of the 22nd of January 2021.

The Company is pleased to advise that the 25,000,000 Class 1 Senior Notes (“the Notes”) listed on the Cayman Islands Stock Exchange, issued by Swala’s subsidiary, Swala (PAEM) Limited, were sold by the previous holders to a private equity group with extensive emerging markets experience on the 4th of June 2021. The Company was advised on this transaction by Alphier Capital.

The previous holder’s decision to sell created an opportunity for the new buyer to acquire the Notes on a basis that more closely reflects the forecast financial performance of Panafrican Energy Corporation (“PAEC”) up to the end of the Songo Songo licence in 2026.

Swala (PAEM) Limited holds a 7.93% interest in PAEC, which in turn holds a 100% interest in Panafrican Energy Tanzania Limited, the operator of the Songo Songo gas field in Tanzania.

Dr. David Mestres Ridge (Swala CEO) said: “The acquisition of the Senior Notes by a financial institution should ensure that Swala’s ownership of PAEC is maintained. The Company looks forward to engaging constructively with the new holders to restructure the Notes in a manner than reflects the remaining potential of the PAEC investment.”

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.

About Alphier:

Alphier, a leading boutique investment bank for frontier markets, specializes in natural resource capital raises with a particular focus on Africa. See www.alphiercapital.com for further background.