

PRESS RELEASE

(DSE:SWALA)

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SWALA PROVIDES UPDATE ON FINANCING ACTIVITY

Swala Oil & Gas (Tanzania) plc. ("Swala" or "the Company") is pleased to advise that it is in discussions with a US-based emerging markets institutional investor for US\$75 million in acquisition funding for a transaction.

In furtherance of this possible transaction, Swala is currently finalizing terms for its funding, which when completed is expected to lead to financing agreements within the next weeks.

Dr. David Mestres Ridge said: "We are pleased to advise that, after considerable due diligence and engagement, the Company is finalizing commercial terms for an investment of US\$75 million with an institutional investor with extensive experience in emerging markets. This capability, when formalised through to definitive agreements, should allow us to contemplate an additional transaction. There can be no guarantees that the financing or transaction contemplated, or any other, will be completed and the Company shall update the market as appropriate."

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 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 and Best Broker in Tanzania, also for 2016. The firm specializes in natural resource capital raises with a particular focus on Africa. See www.exotix.com for further background.