

PRESS RELEASE

(DSE:SWALA)

2nd Floor Oyster Plaza, Plot No.1196
Oysterbay, Haile Selassie Road,
P.O. Box 105266, DSM, Tanzania

TEL +255 (0) 755 687 785

04th October 2017

Update on Pangani Settlement with Otto Energy (Tanzania) Pty Ltd.

Swala Oil and Gas (Tanzania) plc ("Swala" or "the Company") advises that the Federal Court of Australia has confirmed Swala's obligation to pay Otto Energy (Tanzania) Pty Ltd ("Otto") the sum of \$800,000 agreed under the Pangani Settlement Agreement (see Swala's market update of the 29th May 2017).

Otto must now register the debt in Tanzania before a further hearing is scheduled to address the matter in the Tanzanian courts. The Company expects that it shall by that stage have secured all necessary approvals authorising the transaction, including those of the Tanzania Revenue Authority in respect of the three agreements entered into by Swala and Otto as advised to the market on the 29th May 2017.

For further information please contact:

Swala Oil & Gas (Tanzania) plc
Dr. David Mestres Ridge (CEO)
david.mestres@swalaoilandgas.com
www.swala-energy.co.tz

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.