

PRESS RELEASE (DSE:SWALA)

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Successful Completion of 2014 Seismic Programme over Kilombero Basin

Swala Oil & Gas (Tanzania) Plc ("Swala" or "the Company") is pleased to announce that it has successfully completed its 430km 2D seismic programme over the Kilombero Basin in central Tanzania. Swala has a 50.0% net interest in this licence and is the Operator.

As the Company advised on the 24th October 2014, the seismic programme identified a series of structural leads on the western margin of the basin. The geometry of this 'string of pearls' is strongly analogous to that seen elsewhere in the East African Rift System, notably in the Lokichar Basin of Northern Kenya where a series of oil discoveries have already been made.

The Company has already identified the Kito Prospect, with estimated 60.4mmbbls of P50 Best Estimate Prospective Resources net to Swala, as a potential drilling target for 2015. The new seismic data are currently being processed ahead of detailed interpretation that aims to map additional potential drilling targets for a concerted drilling campaign. The Company will carry out basin modelling and seismic amplitude studies to help rank the prospect portfolio ahead of these planned drilling activities.

Dr. David Mestres Ridge, Swala's CEO said "This is a major achievement by Swala as we have now fully met our work programme commitments for the past 3 years on the Kilosa-Kilombero PSA exploration area. When we were granted the licence, no hydrocarbon exploration activity had ever before been carried out over the area. We have broken new ground, proving three sedimentary basins and in the Kilombero basin, multiple structural leads and prospects in a young (Neogene) basin. We are now looking forward to the results of detailed mapping, basin modelling and seismic amplitude anomalies before targeting our drill candidate."

About Swala:

Swala is an affiliated company to Swala Energy Limited, a company in turn listed on the Australian Stock Exchange (ASX) with ticker "SWE". Swala holds assets in the world-class East African Rift System with a total net land package in excess of 17,500km². New discoveries have been announced by industry participants in a number of licences along this trend, including Ngamia and Twigga, which 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.

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