

PRESS RELEASE (DSE:SWALA)

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SWALA GRANTED EXTENSION OF THE KILOSA-KILOMBERO LICENCE

Swala Oil & Gas (Tanzania) plc (“Swala” or “the Company”) is pleased to advise that it has been awarded an extension to the Kilosa-Kilombero licence by the Ministry of Energy and Minerals (“MEM”). This extension runs to the 20th February 2018 and is to be deducted from the First Extension Period (as that is defined in the Production Sharing Agreement (“PSA”)).

TPDC has also reiterated its demand for bank guarantees from the co-venturers, as advised in the Company’s market announcement of the 15th February 2017. The bank guarantees required by TPDC amount to \$6 million to meet the minimum commitment cost of drilling an exploration well to 3,000m or basement. This amount can be drawn down as the exploration activity progresses. Swala’s drilling costs of up to a maximum of \$2.5 million are to be paid for by Tata Petrodyne Limited under the terms of the Farm-Out Agreement between the two dated October 2015.

Dr. David Mestres Ridge (Swala CEO), said: “We are delighted that the hard work that the Swala and TPDC teams carried out in late 2016 has resulted in MEM awarding this extension to drill the Kito-1 exploration well. TPDC have required the co-venturers to make a tangible commitment to the development of this well, which is scheduled to be drilled in 3Q 2017. Swala is re-engaging the project team that progressed the Kito campaign in 2016 and will benefit from the work already carried out along with the long-lead items that are held by Swala in anticipation of a drilling campaign.”

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 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.