

PRESS RELEASE

(DSE:SWALA)

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SWALA ANNOUNCES EXECUTION OF DEBT RESTRUCTURING TERM SHEET

Swala Oil and Gas (Tanzania) PLC (“Swala” or “the Company”) announces that it has entered into a non-binding term sheet setting out the proposed terms of a restructuring of its Senior Note obligations.

Swala, through its 100%-owned subsidiary Swala (PAEM) Limited, agreed a \$25 million Senior Note facility in 2017 for the principal object of acquiring a 7.93% interest in PAE Panafrican Energy Corporation (“PAEM”). The interest on, and capital repayment of, the Senior Note was to be repaid from quarterly payments of dividends from Panafrican Energy Tanzania Limited (“PAET”) to PAEM, and from PAEM to its shareholders (Swala 7.93% and Orca Energy Group Inc. 92.07%).

As advised to the market on the 7th of June 2021, the Senior Notes were sold by its original financiers to an institutional investor with extensive emerging markets experience (the “Buyer”) on the 4th of June 2021. The Buyer and Swala subsequently engaged in discussion on a possible restructuring of the outstanding Senior Notes and the accrued interest.

In connection with the proposed restructuring, the Buyer will (among other things) fund certain costs of Swala relating to the Senior Notes. The proposed restructuring terms also extend the maturity date of the Senior Notes from the 15th of January 2023 to the 15th of October 2026 (to coincide with the termination of PAET’s Songo Songo licence). Definitive restructuring documents will be presented to Swala’s shareholders for approval and the Company shall update the market accordingly.

For further information please contact:

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Forward-Looking Statements

This news release includes “forward-looking statements” and “forward looking information” (collectively “forward looking statements”) within the meaning of applicable securities laws, including in respect of the commencement of the debt restructuring term sheet, the terms thereof and the successful completion of the transaction contemplated thereby. These statements are based on management’s current expectations, beliefs, assumptions and estimates and are not guarantees of timing, future results or performance. Forward-looking statements involve certain risks and uncertainties and other factors that could cause actual results to differ materially from those indicated in such forward-looking statements and accordingly, readers are cautioned not to place undue reliance on any of the forward-looking statements. These risks and uncertainties include but are not limited to, the ability to enter into definitive agreements in respect of the Proposed Transaction on terms acceptable to Swala and in a timely manner, the ability to obtain all requisite regulatory and shareholder approvals and consents at all or in a timely manner.

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

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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.