

ASX RELEASE

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SWALA COMMISSIONS A COMPETENT PERSONS REPORT

Swala Energy Limited (“Swala” or “the Company”) is pleased to advise that it has engaged Gaffney Cline & Associates Limited (“GCA”), an international advisory firm headquartered in the United Kingdom, to complete a Competent Persons Report (“CPR”) for its East African licences.

The Company carried out three 2D comprehensive seismic programmes over its Tanzanian and Kenyan licences in 2013 and 2014 and from this information identified a number of leads and prospects that are prime candidates for its previously announced upcoming drilling campaign. The most significant of these is Kito, a prospect in the Kilombero basin, which a previous CPR (December 2013) estimated could contain gross prospective resources of between 48 (P90) and 424 (P10) million stock tank barrels of oil (“MMstb”).

Swala shall use this new CPR to provide an updated resource estimate for its East African licences.

A potential outcome of the updated resource estimate is that if it triggers achievement of the definition by the Company of P50 Prospective Resources of 200MMstb recoverable oil as independently verified to SPE-PRMS standards on the East African licences (“the Milestone”) by 12th April 2016 under the terms in the IPO Prospectus dated 12th March 2013, then 5 million Class B Performance Shares would be converted into 5 million fully paid ordinary shares on the basis of one fully paid ordinary share for every one Class B Performance Share held, if the Milestone is achieved.

Dr. David Mestres Ridge (Swala CEO) said: “We now have an understanding of the potential volumes associated with our licences. The Australian Securities Exchange (ASX) listing rules require these volumes to be confirmed by a qualified petroleum reserves and resources evaluator before they can be disclosed to the market, and it is for this that we have engaged GCA.”

For further information please contact:

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About Swala Energy Limited: Swala Energy Limited is an Australian oil and gas company listed on the Australian Securities Exchange (“ASX”) under the ticker code “SWE”. Swala’s holdings are predominantly in the world-class East African Rift System with a total net land package in excess of 9,000km² in Tanzania and Kenya. New discoveries have been announced in a number of licences along this trend, including Ngamia, Twiga and Etuko, which extend the multi-billion barrel Albert Graben play into the eastern arm of the rift system. Swala has an active operational and business development programme to continue to grow its presence in the promising hydrocarbon provinces of Africa.