



SWALA ENERGY LIMITED
ACN 161 989 546

ASX Release (ASX: SWE)

23rd July 2014

UPDATE - SWALA TANZANIA INITIAL PUBLIC OFFER (IPO)

Swala Energy Limited ("Swala" or "Company") provides an update of the Initial Public Offer (IPO) of Swala Oil & Gas (Tanzania) Plc ("Swala Tanzania") that is in the process of listing on the Dar es Salaam Stock Exchange in Tanzania.

The IPO closed on the 4th of July 2014 and has been oversubscribed, with 1,869 old and new shareholders applying for 13.3 million shares. The Company is also participating in the IPO thereby reducing any dilution effect on the parent Company. Swala Tanzania has now received approval from the Capital Markets & Securities Authority (CMSA) of Tanzania to approve the oversubscription amounts through what is referred to as a "green-shoe" option.

Following Swala Tanzania's listing the changes to the Company's direct and indirect equity positions in its Tanzanian assets will be:

	Before	After
Equity Interest	65.1%	58.5%
Indirect equity in Pangani	32.5%	29.2%
Indirect equity in Kilosa-Kilombero	32.5%	29.2%
Indirect area interest	11,320 km ²	10,170km ²

Dr. David Mestres Ridge, CEO, said: "The success of the Swala Tanzania IPO supports the Company's decision to be part of the growing East African capital markets. With a need to budget for the possibility of having to fund all or part of the Swala group's contribution to the upcoming seismic survey in Pangani and Kilosa-Kilombero the Company's decision to instead advance the required funds through the IPO has allowed it to retained a reasonable level of equity and participation in these exciting projects."

For further information please contact:

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**About Swala:**

Swala Energy Limited is an Australian oil and gas company listed on the Australian Securities Exchange ("ASX") under the symbol "SWE". Swala's holdings are predominantly in the world-class East African Rift System with a total net land package in excess of 18,800km² in Kenya, Tanzania and Zambia. 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.

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