



SWALA ENERGY LIMITED
ACN 161 989 546

ASX Release (ASX: SWE)

25 August 2014

COMMENCEMENT OF THE 2014 SEISMIC ACQUISITION SURVEY IN TANZANIA

Swala Energy Limited ("Swala" or "the Company") (**ASX:SWE**) is pleased to announce the start of its 2014 2D seismic data acquisition programme over the Moshi Basin located within the Pangani exploration licence in northern Tanzania (Figure 1).

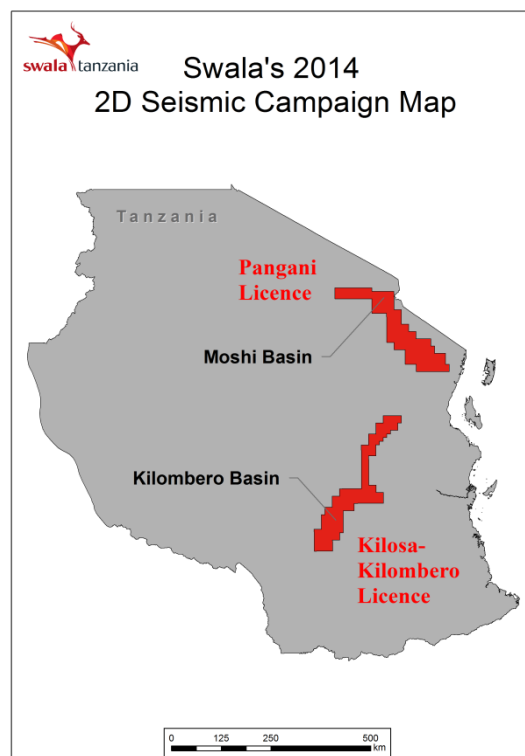


Figure 1. Swala's licences and the target basins for the 2014 seismic campaign.

Swala Oil and Gas (Tanzania) Plc ("Swala Tanzania"), partly owned by Swala Energy Limited, and its Joint Venture partner Otto Energy Limited (**ASX:OEL**) will acquire approximately 200km of 2D seismic data over the basin in the next four weeks and that data will be processed as the survey progresses.

This seismic survey is a follow-up to the successful programme carried out in the basin in 2013 where results indicated a sedimentary basin of about 3,000m in thickness. Once the survey in the Moshi basin is complete seismic operations will move to the Kilombero basin where a further 430km of 2D data will be acquired.

Swala Energy Limited

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Dr. David Mestres Ridge, Swala's CEO said "the commencement of the 2014 seismic programme underlines Swala's commitment and capability to move ahead with its exploration programme. This work is intended to firm up potential drilling targets for a planned 2015 drilling campaign as required under the terms of the respective Production Sharing Agreements with TPDC."

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 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 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.

| Participants in the Kilosa-Kilombero and Pangani Licences | Participating Interest % |
|---|---------------------------------|
| Swala Oil and Gas (Tanzania) PLC (Operator) | 50% |
| Otto Energy (Tanzania) Pty Ltd (Wholly owned subsidiary of Otto Energy Ltd (ASX: OEL)) | 50% |

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