



SWALA ENERGY LIMITED
ACN 161 989 546

ASX Release (ASX: SWE)

10th November 2014

UPDATE – RE-ASSIGNMENT OF INTERESTS IN BLOCK 12B, KENYA

Swala Energy Limited ("Swala" or "the Company") is pleased to provide an update following further developments in relation to Block 12B in Kenya.

Swala advised the farm out of 25% of the participating interest in Block 12B to CEPSA Kenya Limited ("CEPSA"), an affiliate of Compañía Española de Petróleos, S.A.U., on the 23rd June 2014. On the 21st July 2014 the Company advised that CEPSA had informed it of its decision to withdraw from the licence with an effective date of the 31st August 2014.

Following further discussions between the parties to the Joint Operating Agreement ("JOA"), CEPSA will now re-assign to Swala the entire 25% participating interest such that the participating interests effective from the 1st September 2014 shall be:

Tullow Oil Kenya B.V. (and Operator)	50%
Swala Energy (Kenya) Limited	50%

CEPSA and Swala will immediately move to formalise the necessary deeds of assignment regarding the participating interest, and terminate the arbitration proceedings.

Dr. David Mestres Ridge, Swala's CEO, said "These positive discussions between the parties to the JOA have allowed the participants in the Block 12B licence to constructively resolve a number of differences that have arisen. We look forward to completing the assignment of the equity and to continuing with the exploration and development of this exciting licence."

For further information please contact:

Swala Energy Limited
David Mestres Ridge (CEO)
T: +61 8 6270 4700
david.mestres@swala-energy.com
www.swala-energy.com

Walbrook Investor Relations
Ben Knowles
T: +61 8 6189 2231
M: +61 426 277 760
ben.knowles@walbrookir.com.au

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 18,000km² 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.

Swala Energy Limited

70C Kishorn Road, Mount Pleasant, WA 6153, Perth, Australia
Telephone: + 61 (0)8 6270 4700 Fax: + 61 (0)8 6314 4675 www.swala-energy.com