

2<sup>nd</sup> December 2014

Mr Sebastian Bednarczyk  
Advisor, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Sebastian,

**RE: SWALA ENERGY LIMITED (ASX: SWE) – VOLUNTARY SUSPENSION UPDATE**

In accordance with ASX Listing Rule 17.2, Swala Energy Limited (“Swala Energy” or “Company”) (ASX: SWE) requests an extension to the voluntary suspension that is already in place in relation to its securities quoted on the ASX and provides the following information in relation to this request:

- Following the trading halt on 24<sup>th</sup> and 25<sup>th</sup> November 2014, and the voluntary suspension from 26<sup>th</sup> November to 2<sup>nd</sup> December 2014, the extension to the voluntary suspension is to allow the Company to continue to work towards finalising its fund raising requirements.

The Company has progressed significantly towards completing its proposed fund raising by advancing alternative fundraising transactions. During this process a substantial third party has approached the Company to request, for consideration, a period of exclusivity during which to carry out due diligence on the Company’s assets, with a view to concluding farm-in agreements on one or more of the Company’s projects. This has the potential to have a material effect on the quantum, structure and terms of any fund raising and, as a result, the Company requests an extension of its period of voluntary suspension. The Company is in the process of formalising its engagement with the third party but there can be no guarantee of a successful outcome to these discussions.

- Swala Energy expects the extension to the voluntary suspension to remain in place until the earlier of such time as it makes an announcement in relation to the proposed equity raising and/or third party engagement, or, by the close of business on 23<sup>rd</sup> December 2014.
- Swala Energy is not aware of any reason why the extension to the voluntary suspension should not be granted by the ASX or aware of any other relevant information in relation to this request.

If you have any questions please contact me on (08) 6270 4700.

Kind Regards



Adrian Di Carlo  
Company Secretary