

# ASX RELEASE

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## Swala in Legal Dispute with Otto Energy

Swala Energy Limited (ASX:SWE) ("the Company") has been served notice by lawyers acting on behalf of Otto Energy Limited (ASX:OEL) ("Otto") that Otto has commenced a legal action against the Company, Swala Oil and Gas (Tanzania) plc ("SOGTP") and current and certain former directors of the Company and is seeking to recover a gross amount of approximately US\$1,000,000 plus alleged damages.

Otto's action relates to the Pangani licence, a licence operated by SOGTP with a 25% working interest. The Company holds a 58.5% interest in SOGTP. The Company, SOGTP and the Company's current and former directors intend to defend such legal action with vigour and, having taken initial legal advice, are of the opinion that Otto's claim has no legal merit. The Company will update the market further in due course.

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 beneficial holdings are predominantly in the world-class East African Rift System with a total net land package in excess of 9,000km<sup>2</sup> in Tanzania, via its investment in Swala Oil and Gas (Tanzania) Plc, 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.