

ASX RELEASE

(ASX: SWE)

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MARKET UPDATE

Swala Energy Limited ("Swala" or "the Company") advises that further to its ASX Announcement on 1 April 2015 and the March 2015 Quarterly Report issued on 30 April 2015 the Company wishes to provide shareholders with a further update as to its progress.

Final steps to completion of a farm-out transaction for one or more of its licences are currently being undertaken, however the Company is not in a position to disclose further details at this time but shall update the market 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 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.