



SWALA ENERGY LIMITED
ACN 161 989 546

ASX Release (ASX: SWE)

14th October 2013

POSITIVE RESULTS FROM KIDATU SEISMIC PROGRAMME

Swala Energy Limited ("Swala") is pleased to provide an update on the 2D seismic programme underway on the Kilosa-Kilombero licence ("License") in Tanzania. Swala has an indirect 32.5% interest in the license.

The programme over the Kidatu basin area in the License has been completed and the preliminary interpretation of the results is positive. These results follow those observed from the programme in the Kilosa basin to the north that were also positive as announced by Swala in its ASX release on 18 September. The seismic survey has now commenced over the Kilombero basin, south of the Kidatu basin.

A total of 143km of 2D seismic were acquired over the Kidatu basin. The initial results based on preliminary processed data indicate the presence of large-scale structures along the edges of the basin together with a major intra-basin high identified on dip and strike lines. The structure may be as large as 30 to 60 square kilometres.

The seismic team has now relocated to Kilombero where the programme is expected to take a further three weeks to complete. Upon conclusion of the Kilombero survey the seismic crew will mobilise to the Pangani Licence in the north of Tanzania to acquire up to 200km of 2D seismic in the two potential basins that were identified in 2012.

Dr. David Mestres Ridge (CEO) said, "The results from the Kidatu survey have already shown the potential presence of very large structural traps, an encouraging result and one that underscores our team's geological understanding of the area. Whilst additional processing and interpretation of the recorded data is still needed, the positive results to date give us growing confidence in our continued exploration activities within the Kilosa-Kilombero Licence."

Swala Energy Limited

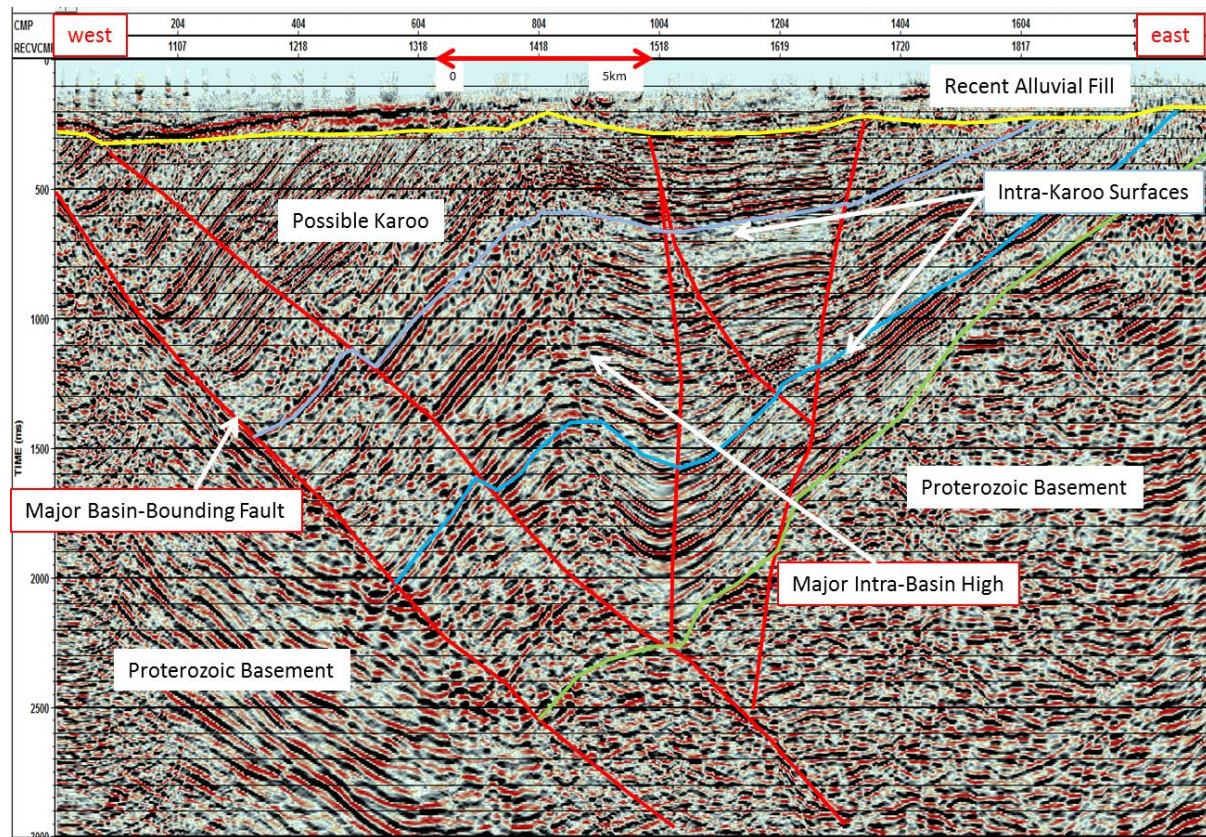
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Figure 1: Seismic line 008, Kidatu basin



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About Swala:

Swala Energy is an Australian oil and gas company with assets in Kenya and Tanzania. Swala's holdings are in the world-class East African Rift System with a total net land package in excess of 15,000km². 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 successfully developed by Tullow Oil plc into the eastern arm of the rift. Swala has an active operational and business development programme to continue to grow its presence in the hydrocarbon provinces of sub-Saharan Africa. The Company is listed on the Australian Securities Exchange (ASX) under the symbol "SWE".

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Note: In accordance with ASX Listing Rules, any geological or hydrocarbon reserves information in this release has been reviewed by Swala's Exploration Director, Mr Neil Taylor who has over 30 years' experience in the sector. He consents to that information in the form and context in which it appears.

Participants in the Kilosa-Kilombero Licence	Participating Interest %
Swala Oil and Gas (Tanzania) Limited (Operator) (Swala Energy owns 65.13% equity interest in SOGTL)	50%
Otto Energy (Tanzania) Pty Ltd (Wholly owned subsidiary of Otto Energy Ltd (ASX: OEL))	50%

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