



SWALA ENERGY LTD

ACN 161 989 546

ASX RELEASE (ASX:SWE)

23 APRIL 2014

COMMENCEMENT OF 2D SEISMIC ACQUISITION PROGRAMME IN KENYA

Swala Energy Limited (ASX: SWE) is pleased to announce the 2D seismic acquisition programme ("Programme") in Block 12B, Kenya (Figure 1) has commenced. The work will be carried out by BGP International.

Swala and its Joint Venture partner Tullow Kenya BV, a wholly-owned subsidiary of Tullow Oil plc (LSE: TLW), will acquire approximately 350km of 2D seismic over the coming weeks and the data will be processed as the survey progresses. The Programme is designed to identify the main structural lineation in the basins and has the potential to identify structural leads for follow-up infill seismic and/or possible drilling.

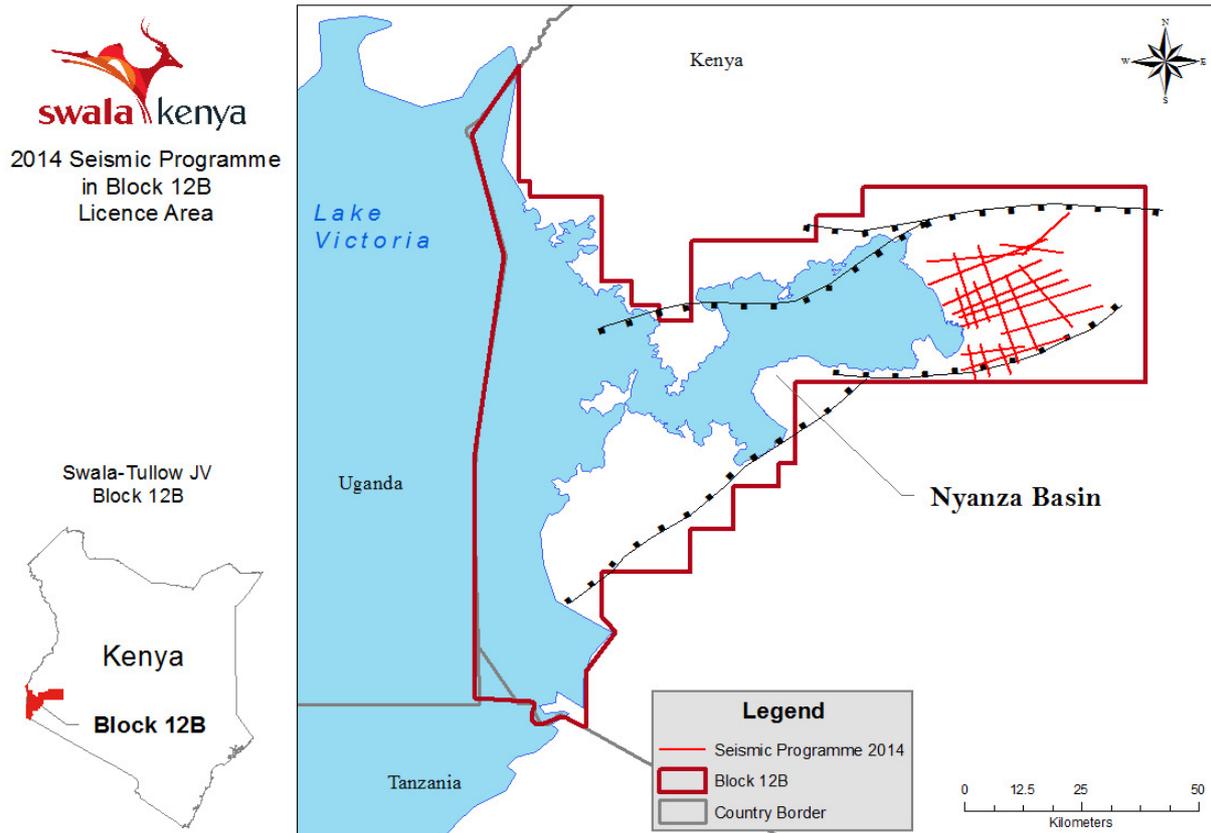


Figure 1: Map of Planned 2D Seismic Area

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Block 12B lies in the Neogene Nyanza basin, an off-shoot of the East African Rift System (EARS) where large quantities of oil have been proven in recent years by Tullow in Uganda and in Kenya. The seismic data will be vital in determining the forward exploration programme in the block.

Although the basin has been under explored to date, with only 50km of low quality seismic data recorded in 1989, reprocessing of this data by Swala has revealed a possible Tertiary basin fill of over 3,000m, supported by Passive Seismic work carried out by the Joint Venture in 2013.

Figure 2 shows one of the reprocessed 1989 lines together with an interpreted Depth to Basement Map generated from the 2012 gravity work and the 2013 Passive Seismic results. The seismic line lies along the edge of the basin. The new seismic lines will be acquired over the basin centre and over structural highs interpreted from the gravity work. The new data will be acquired using a high quality dynamite source compared with the very low impact vibrator source in 1989 and should provide a much better representation of the basin geometry and potential drilling candidates.

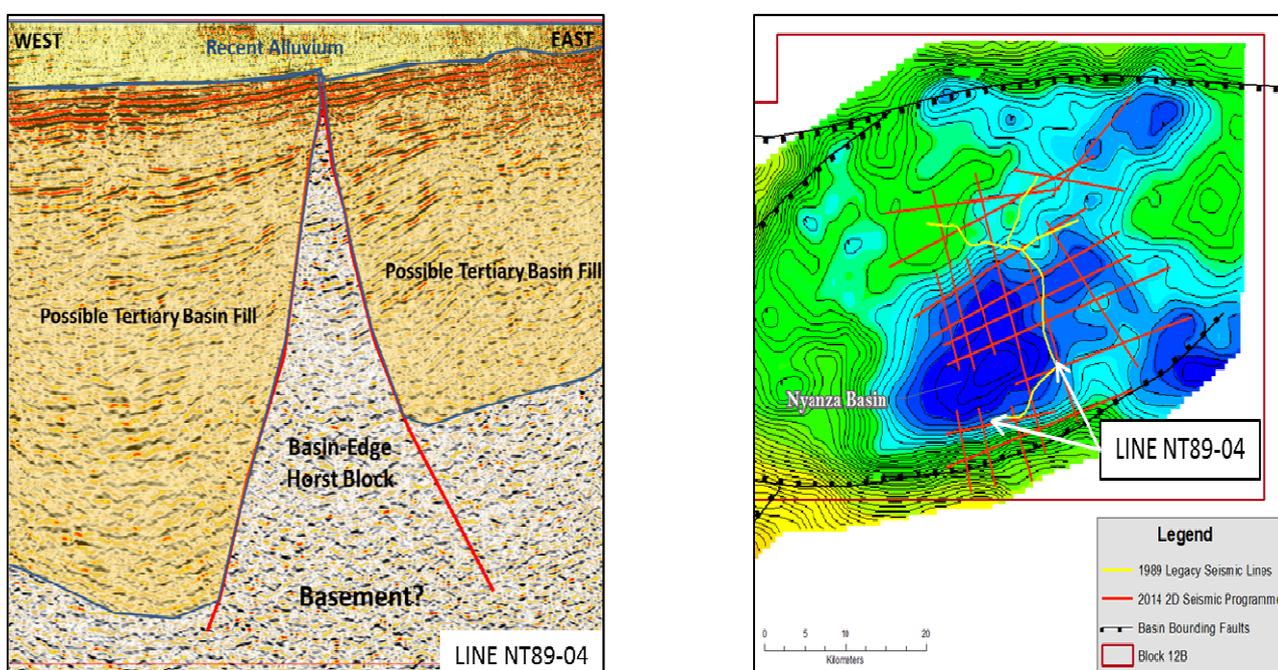


Figure 2: Interpreted Reprocessed Seismic Line NT89-04 and Depth to Basement Map. Blue areas are interpreted basin centre

Dr. David Mestres Ridge, Swala's CEO said "The start of the 12B seismic programme underlines the Joint Venture's commitment to explore this frontier basin – an offshoot of the highly prospective East African Rift System. Our technical re-evaluation of the legacy seismic data is encouraging and we look forward to seeing the results of the seismic survey that has now commenced."

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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 ASX under the symbol "SWE".

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.

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