

## PRESS RELEASE (DSE:SWALA)

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### SWALA PROVIDES UPDATE TO THE ORCA TRANSACTION

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") today announced that it will not extend the deadline to complete the previously announced investment by Swala in PAE PanAfrican Energy Corporation, a subsidiary of Orca Exploration Group Inc. ("Orca"), of up to US\$130 million (the "Swala Investment") for any specific time period. The extension pertains to tranche 2 and tranche 3 and does not impact tranche 1 which closed on January 16, 2018. The decision was taken in consideration of the uncertainty in the timing of the regulatory approval of Swala's prospectus and listing application in Mauritius. The decision not to extend the deadline does not terminate the Swala Investment and Orca continues to support Swala's efforts in closing its financing. However, Orca may terminate the balance of the Swala Investment at any time.

Dr. David Mestres Ridge (Swala CEO) said: "Swala and Orca will continue to complete the process started earlier this year, but do not believe that either company is served well by agreeing to timelines that are outside of their control. The process in Mauritius is advancing at creditable speed but oil and gas is a new investment area and the regulator has spent time thoroughly understanding the Swala prospectus. Our understanding is that the prospectus will be reviewed by the Executive Committee of the SEM this coming week and are already engaging with Tanzanian and overseas investors in anticipation of an early closing."

For further information please contact:

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#### About Swala:

Swala is the first Oil and Gas company listed on an East African Stock Exchange with a significant local ownership. Swala holds assets in the world-class East African Rift System with a total net land package in excess of 14,000 km<sup>2</sup> as well as a 7.93% interest in PAE PanAfrican Energy Corporation. New discoveries have been announced by industry participants in a number of licences along this trend that extend the multi-billion-barrel Albert Graben play so successfully developed by Tullow Oil 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 East Africa and globally.

#### About Orca Exploration Group Inc.

Orca is an international public company engaged in natural gas exploration, development and supply in Tanzania through its subsidiary PAET. Orca trades on the TSX Venture Exchange under the trading symbols ORC.A and ORC.B. The Company's Project Agreements are more fully described in the Company's 2016 Annual Information Form, and available on [www.orcaexploration.com](http://www.orcaexploration.com).