Orca Exploration Provides Update to the Swala Transaction

TORTOLA, British Virgin Islands, July 27, 2018 -- Orca Exploration Group Inc. ("**Orca**" or the "**Company**") (TSX-V:ORC.A) (TSX-V:ORC.B) today announced that Orca has been advised by Swala Oil & Gas (Tanzania) plc ("**Swala**") that trading of its securities listed on the Dar es Salaam Stock Exchange ("**DSE**") in Tanzania will be halted for trading at the request of Swala pending the release of an announcement in relation to a third-party equity investment in Swala. Swala has advised that unless the DSE decides otherwise, the securities will remain halted until the earlier of the commencement of normal trading on Monday, August 6, 2018 or when the Swala investment announcement is released to the market.

Swala has stated that its intention would be to utilize any funds raised through the equity investment and a planned US$50 million corporate bond issue (pending regulatory approval) to fund tranches 2 and 3 of the previously announced US$130 million investment in PAE PanAfrican Energy Corporation ("**PAEM**"), a subsidiary of Orca. The tranche 1 sale, representing 7.93% of a potential sale of 40% of PAEM, closed on January 16, 2018.

About Orca Exploration Group Inc.

Orca is an international public company engaged in natural gas exploration, development and supply in Tanzania through its subsidiary Pan African Energy Tanzania Ltd. 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.

About Swala Oil & Gas (Tanzania) plc

Swala is an independent oil & gas exploration and production company, the first to be listed on an East African Stock Exchange and having a significant local Tanzanian ownership. Swala holds exploration blocks in the world-class East African Rift System with a total net land package in excess of 14,000 km^2. 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 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. More information on Swala is available at http://swalaoilandgas.com/.

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