



Orca Exploration Announces Repurchase of outstanding shares in PAE PanAfrican Energy Corporation

TSX-V: ORC.A, ORC.B

TORTOLA, British Virgin Islands, July 21, 2023 -- Further to the announcement by Swala Oil & Gas (Tanzania) plc ("**Swala TZ**") on April 3, 2023, which resolved that Swala TZ be placed into involuntary liquidation, Orca Energy Group Inc. ("**Orca**" or the "**Company**") confirms that it has repurchased the 7.9% (7,933 Class A common shares) shares in the Company's subsidiary PAE PanAfrican Energy Corporation ("**PAEM**"), currently held by Swala (PAEM) Limited (in administration) ("**Swala UK**"), for US\$7.5 million.

Orca sold the 7.9% (7,933 Class A common shares) of PAEM to Swala UK, a wholly owned subsidiary of Swala TZ, in 2018 for US\$21.02 million combining US\$17.1 million cash and US\$4.0 million of Swala TZ's Preference Shares pursuant to an investment agreement made as of 2017. The \$4.0 million due to Orca by way of preference share redemptions from Swala TZ remain outstanding, however Orca has submitted a notice of claim to the Tanzanian liquidators. The Company continues to investigate all legal remedies available to it following the allegations Swala TZ made about Orca and its conduct, which the Company continues to strongly refute.

Jay Lyons, Chief Executive Officer, commented:

"I am pleased to announce the successful repurchasing of Orca's outstanding stake in PAEM from the administrators of Swala (PAEM) Limited for \$7.5 million. The reinstatement of Orca's 100% interest in the Songo Songo gas field will enable the Company to focus on managing, optimizing and further developing the asset for the benefit of all stakeholders."

Orca Energy Group Inc.

Orca is an international public company engaged in natural gas exploration, development and supply in Tanzania through its subsidiary PanAfrican Energy Tanzania Limited. Orca trades on the TSX Venture Exchange under the trading symbols ORC.A and ORC.B.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information

This press release contains forward-looking statements or information (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation. All statements, other than statements of historical fact included in this press release, which address activities, events or developments that Orca expects or anticipates to occur in the future, are forward-looking statements. Forward-looking statements often contain terms such as may, will, should, anticipate, expect, continue, estimate, believe, project, forecast, plan, intend, target, outlook, focus, could and similar words suggesting future outcomes or statements regarding an outlook. More particularly, this press release contains, without limitation, forward-looking statements pertaining to the following: submission of the notice of claim by Orca to the Tanzanian liquidators; recovery of the amount due to Orca by Swala TZ; and availability of legal remedies to Orca in respect of the allegations made by Swala TZ against Orca.

These forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, and many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company, including, but not limited to: disputes or objections to Orca's notice of claim; priority of Orca's claim amongst other creditors of Swala UK; risks involving Orca's entitlement to liquidated proceeds, including the inability of Orca to recover all or a portion of the outstanding amount from Swala UK; and lack of legal remedies available to Orca in respect of Swala TZ's allegations against Orca.

Such forward-looking statements are based on certain assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances, including, but not limited to: acceptance of Orca's proof of claim by the Tanzanian liquidators; resolution of the Swala TZ and the Swala UK liquidation; and availability of appropriate legal remedies to address Swala TZ's allegations against Orca.

The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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