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FOR IMMEDIATE RELEASE

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PanAfrican Energy Tanzania signs agreement with TPDC and TANESCO for the temporary supply of gas

DAR ES SALAAM, Tanzania 10th January 2019: PanAfrican Energy Tanzania ("PAET" or the "Company") is pleased to provide the following operational update on its current activities in Tanzania.

In late December 2018 Pan African Energy Tanzania Limited ("PAET") signed a short-term sales agreement ("Agreement") with the Tanzania Petroleum Development Corporation ("TPDC") and the Tanzania Electric Supply Company ("TANESCO") for the immediate supply of gas to TANESCO of up to 35 million standard cubic feet per day ("MMscf/d"). These additional volumes are being processed and transported through TPDC's National Natural Gas Infrastructure ("NNGI") and will allow TANESCO to generate increased and more stable power to meet emerging demand.

First gas flowed through the NNGI on 24 December and production averaged 20 MMscf/d in the first ten days of operation. Total Additional Gas sales, including those through the Songas gas processing and transportation system ("Songas Facilities"), averaged 56 MMscf/d over the same period. This compares to an average for the third quarter of 44 MMscf/d. The Agreement provides a mechanism for the parties to agree to one-month extensions for a maximum term of six months and is expected to be superseded by a long-term agreement.

PAET is supplying these additional volumes from its existing wells. Two wells, SS-11 and SS12, are connected to the NNGI and SS-10 will be connected if required to meet demand. PAET is currently in the process of installing a refrigeration package in the Songas processing facility to ensure that gas can continue to be processed at the plant's capacity. It is expected that this will be operational by mid-2019.

David Roberts, Managing Director of PAET, commented "Together with TPDC and TANESCO we have focused our efforts to ensure the timely availability of Songo Songo natural gas to meet Tanzania's growing electricity and industrial demand. Signing this Agreement is a clear demonstration of the Company's cooperation with its stakeholders and our commitment to meet the energy needs of the Country. The supply of these additional volumes has been made possible by the Songo Songo field development programme completed by the Company in 2016, and the construction of the extensive gas processing and pipeline infrastructure by TPDC and the Government of Tanzania that was commissioned in the same year. PAET looks forward to continued cooperation with all parties to ensure that Songo Songo natural gas continues to be an affordable and reliable part of the future energy mix in Tanzania".

Financial reports and other corporate information concerning PAET and its group parent company, Orca Exploration Group Inc. ("Orca") may be found on the Company's website at

www.panafricanenergy.com and www.orcaexploration.com or Orca's profile on SEDAR at www.sedar.com.

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