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**FOR IMMEDIATE RELEASE**

**24<sup>th</sup> May 2021**

**PanAfrican Energy Tanzania provides operational update**

DAR ES SALAAM, Tanzania 24<sup>th</sup> May 2021: Following several months of detailed planning and coordination with its project partners, PanAfrican Energy Tanzania ("PAET" or the "Company") is pleased to announce that it will carry out the workover or rehabilitation of three of the eight wells currently drilled in the Songo Songo gas field, commencing in October 2021. The work, which will be carried out alongside the ongoing US\$38 million compression project the Company is installing at the Songas owned gas processing facility on Songo Songo Island, is expected to cost approximately US\$17 million. Together, the projects will restore and increase current gas production potential from the field, ensuring the Company is ready to meet new gas demand and continue to support the industrialisation of the United Republic of Tanzania in the years ahead.

The wells to be worked over are all onshore and include SS-3 and SS-4, which are responsible for producing what is termed Protected Gas used for power generation at Songas's Ubungo power generation plant, cement production at the Tanzania Portland Cement Company at Wazo Hill, and for village electrification on Songo Songo and at Somanga. These wells, when returned to operation, are expected to increase field production potential by around 15 million cubic feet per day. The third well, SS-10, is used in the production of gas which is vital to additional power generation, sustainment of PAET's forty-nine industrial customers located around Dar es Salaam and supplied via the Company's natural gas distribution ring main, and the Company's compressed natural gas (CNG) vehicle fuelling station at Ubungo which supplies around 100 vehicles per day and is the nucleus of a growing CNG business in Tanzania. SS-10 well is currently producing gas, but the work to be carried out will replace ageing components and ensure that the well can continue to produce gas safely and efficiently in the future.

The Company intends to bring in a drilling rig, which is expected to arrive in Tanzania in September, with work commencing in October and expected to be completed soon after the end of the year.

PAET was Tanzania's first ever natural gas producer. The Company signed a Production Sharing Agreement with the Government of Tanzania and the Tanzanian Petroleum Development Corporation ("TPDC") in October 2001, and has been successfully producing natural gas from the Songo Songo gas field since 2004. In partnership with TPDC, the production of natural gas has enabled the accelerated industrialisation of the United Republic of Tanzania witnessed since production began. Alongside the installation of compression, expected to be completed in early 2022, the restoration of the three wells will ensure that the Songo Songo field continues to be the primary source of gas production in Tanzania for many years to come.

**Andrew Hanna, Managing Director of PanAfrican Energy Tanzania, commented:**

We are extremely pleased and proud to announce this vital work which will enhance gas supply security for Tanzania and ensure PAET is able to meet increases in demand when they arise. It has taken a great deal of effort on the part of the brilliant PAET team, 99% of which is made up of Tanzanian nationals, to get to this point. Importantly, as we approach the twentieth anniversary of the signing of our Production Sharing Agreement, it demonstrates the continued commitment and cooperation of and between the Company and its partners - TPDC and Songas - to the highly successful Songo Songo gas project. This work unlocks only part of the overall additional potential of the Songo Songo gas field. The PAET team is well positioned to continue supporting the United Republic of Tanzania in the exploration and development of other parts of the field and producing additional gas resources in the future.

Financial reports and other corporate information concerning PAET and its group parent company, Orca Energy Group Inc. ("Orca") may be found on the Company's website at [www.panafricanenergy.com](http://www.panafricanenergy.com) and [www.orcaenergygroup.com](http://www.orcaenergygroup.com) or Orca's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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