Orca Exploration Group Inc.
PO Box 3152
Road Town
Tortola
British Virgin Islands

TSX-V: ORC.A, ORC.B

FOR IMMEDIATE RELEASE

Orca Exploration announces first US$20 million drawdown from US$60 million IFC facility

TORTOLA, British Virgin Islands 14 December 2015: Orca Exploration Group Inc. ("Orca" or the "Company") announces that its wholly owned subsidiary, Pan African Energy Tanzania Limited ("PAET") has made an initial drawdown of US$20 million from the available US$60 million International Finance Corporation ("IFC") loan facility which was signed on 29 October 2015 (the "Loan"). PAET intends to make additional drawdowns of the Loan which will be subject to meeting all conditions precedent on or before the time of drawdown.

The US$20 million drawdown will be used to fund part of the first phase of PAET's Songo Songo natural gas field development programme. The Songo Songo development programme was designed to ensure the safety of existing suspended and operating wells and to increase production capacity to approximately 190 million standard cubic feet per day ("MMscfd") of natural gas. The programme will also provide operating redundancy and field deliverability to maintain current power and industrial gas sales plus provide additional deliverability to supply future gas sales.

Since programme commencement, existing production wells SS-5, SS-7 and SS-9 have been successfully worked over and recompleted. The Company is currently drilling a new production well SS-12, which is expected to be completed by mid-January 2016 after which time the initial phase of development will be complete. The success of the workovers to date has increased field productive capacity from approximately 83 MMscfd to a current productive capacity of approximately 150 MMscfd. When the programme is completed the field is expected to be able to produce approximately 190 MMscfd, which would both fill the existing Songas infrastructure to its capacity of approximately 102 MMscfd, and provide additional gas volumes to the newly commissioned National Natural Gas Infrastructure Project ("NNGIP"), as and when contracted.

"We are delighted with the success of the current workover and drilling programme," said Orca Chairman and Chief Executive Officer David Lyons, "The IFC financing has enabled the Company to significantly increase production capacity in Tanzania and ensure the continued reliable supply of natural gas to our customers."

About Orca Exploration Group Inc.

Orca is an international public company engaged in natural gas exploration, development and supply in Tanzania through its wholly-owned subsidiary, PAET, as well as oil and gas appraisal in Italy. Orca trades on the TSX Venture Exchange under the trading symbols ORC.A and ORC.B.

For further information please contact:

W. David Lyons,
Chairman and CEO
+44-7717-100-200
wdlyons@orcaexploration.com

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 news release contains forward-looking information. More particularly, this news release contains statements and information concerning, but not limited to, the Company's plans for the funds received on drawdown of the Loan; the terms and design of the Songo Songo development programme, including the effect of the Songo Songo development programme on restoring and expanding field productive capacity and the anticipated amount of the increase in field productive capacity; Orca's expectations that when the Songo Songo development programme is completed that it will be capable of both filling the existing Songas infrastructure to capacity and providing additional gas volumes available to the newly commissioned NNGIP as and when contracted; the estimated full productive capacity upon completion of the Songo Songo development programme; the Company's drilling plans and the expected timing of completion of the SS-12 production well; and other matters. Although management believes that the expectations reflected in the forward-looking information are reasonable, it cannot guarantee future agreement, levels of activity, performance or achievements since such expectations are inherently subject to significant uncertainties and contingencies. As a consequence, actual results may differ materially from those anticipated in the forward-looking information.

Forward-looking information involves substantial known and unknown risks and uncertainties, certain of which are beyond Orca's control, and many factors could cause the actual results to differ materially from those expressed or implied in the forward-looking information presented by Orca, including, but not limited to: the failure to satisfy the conditions precedent to availability of further drawdowns under the Loan; risk that the drilling rigs fail to fulfill the terms of drilling contracts; failure to restore and expand field productive capacity under the Songo Songo development programme; risk that Orca is unable to access the additional funding required to proceed with the entire Songo Songo development programme; failure to achieve the anticipated level of field productive capacity under the Songo Songo development programme; risk that the Songo Songo development programme, when completed, is not capable of both filling the existing Songas infrastructure to capacity and providing additional gas volumes available to the newly commissioned NNGIP as and when contracted; risk that the Songo Songo development programme is not completed as planned and the actual cost to undertake the Songo Songo development programme exceeds the Company's estimates; risk that the contingencies related to the development work for the full field development plan for Songo Songo are not satisfied; the impact of general economic conditions in the areas in which Orca operates; changes in laws and regulations including changes in how they are interpreted and enforced; the lack of availability of qualified personnel or management; fluctuations in commodity prices, foreign exchange and/or interest rates; stock market volatility; obtaining certain required contractual approvals and approvals of certain regulatory authorities; risks associated with negotiating with foreign governments; risk that the Company will be required to pay additional taxes and penalties; delays in drilling plans; failure to obtain expected results from drilling; inability to access sufficient capital; and risk that the Company will not be able to fulfill its obligations, including under the Loan. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Orca will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive.

Such forward-looking information is based on certain assumptions made by Orca in light of its experience and current knowledge of the circumstances, as well as other factors Orca believes are appropriate in the circumstances, including, but not limited to: that the conditions precedent to availability of further drawdowns under the Loan will be satisfied; the availability of the proceeds of the Loan to fund the Songo Songo development programme; that the Company will have all necessary regulatory and contractual approvals related to certain aspects of the Songo Songo development programme and the Loan; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its operations; that the Company will have access to the additional funding required to proceed with the entire Songo Songo development programme; that the Company can expand Songo Songo development beyond the existing Songas infrastructure and supply gas to the NNGIP; the estimated cost to undertake the Songo Songo development programme; infrastructure capacity; the ability of Orca to obtain equipment and services in a timely manner to carry out exploration, development and exploitation activities; future capital expenditures; availability of skilled labour; conditions in general economic and financial markets; commodity *prices will not further deteriorate significantly; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated; and other matters.*

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