Orca Exploration Group Inc.
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TSX-V: ORC.A, ORC.B

FOR IMMEDIATE RELEASE

Orca Exploration announces update in response to news release of Lloyd I. Miller, III

TORTOLA, British Virgin Islands, 17 February 2016: TORTOLA, British Virgin Islands. Orca Exploration Group Inc ("Orca" or the "Company") wishes to update the market in response to the news release issued by Lloyd I. Miller, III on 16 February 2016 relating to Orca.

Orca confirms that its board of directors (the "Board of Directors"), under the direction of a special committee of the Board of Directors, was evaluating the possibility of Orca undertaking a Dutch Auction substantial issuer bid for its Class B Subordinate Voting Shares but determined in mid-January 2016 not to proceed with a substantial issuer bid due to the status of Orca's offshore workover and drilling program and the current financial condition of the Company, including the level of the Tanesco account receivables.

Orca also confirms that Mr. David Lyons, the Chief Executive Officer and indirect controlling shareholder of Orca, has informed the Board of Directors that it is his intention to evaluate a privatization transaction involving Orca, and that he may propose such a transaction to Orca in the future. The Board of Directors has neither received nor solicited a formal proposal or offer related to such a transaction and there can be no assurance that Mr. Lyon's current intention will result in a formal proposal or offer or that any such proposal or offer, if received, will ultimately result in a completed transaction. Orca intends to provide updates if and when necessary in accordance with applicable securities laws.

Orca has substantially completed its offshore workover and drilling program (the "Off-Shore Programme"). The Off-Shore Programme of the Songo Songo Main Field development programme (the "development programme") included workovers on three existing wells (SS-5, SS-7 and SS-9) and the drilling of one new development well, SS-12. Orca expects to provide a detailed update on the results of the Off-Shore Programme in due course.

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, Pan African Energy Tanzania Limited. Orca trades on the TSX Venture Exchange under the trading symbols ORC.A and ORC.B.

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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 in respect of further announcements or communications regarding its operations and proposals from third parties; the Company's strategic plans; the design and completion of the Off-Shore Programme and the development programme; 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: risk that Orca is unable to access the additional funding required to proceed with the entire development programme; risk that the drilling rigs fail to fulfill the terms of drilling contracts; failure to enter into a tie-in contract to the NNGIP with TPDC; inability to achieve full production capability due to infrastructure constraints; risk that the development programme is not completed as planned and the actual cost to undertake the 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 Main Field 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 Company will have all necessary regulatory and contractual approvals related to certain aspects of the Offshore 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 development programme; that the Company and TPDC will agree to the terms of a tie-in agreement for the NNGIP; the estimated cost to undertake the 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.