



Orca Announces Quarterly Dividend and Approval of Dividend Policy

TORTOLA, British Virgin Islands, Nov. 18, 2020 -- Orca Energy Group Inc. ("**Orca**" or the "**Company**") (TSX-V: ORC.A, ORC.B) today announced that its Board of Directors has declared a quarterly cash dividend of CDN\$0.08 per Class A Common Voting Share ("**Class A Shares**") of the Company and CDN\$0.08 per Class B Subordinate Voting Share ("**Class B Shares**") of the Company. The dividend will be payable on January 15, 2021 to holders of Class A Shares and Class B Shares of record on December 31, 2020.

Approval of Dividend Policy

The Board of Directors of the Corporation is pleased to announce the approval of a dividend policy of paying quarterly dividends to holders of Class A Shares and Class B Shares.

Dividends will normally be declared when (i) pre-approved by the Board of Directors on a quarterly basis, and (ii) confirmed by the Company's Chief Financial Officer, or other person authorized by the Board of Directors for such purposes, when paid.

The Board of Directors is currently evaluating the payment of special dividends and share repurchase programs (for cancellation) as part of its capital strategy taking into account capital requirements for the value maximization of the Songo Songo Production Sharing Agreement (the "**Songo Songo PSA**"). The Company will target to pay out in regular dividends CDN\$0.08 per share per quarter in 2021 or CDN\$8.7 million (US\$6.5 million) for the year.

About 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.

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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.

Risk Factors

There are many factors that could affect the Company's future performance and industry in which it and its subsidiaries and affiliates operate and therefore its ability to pay dividends in the future.

The Company is a holding company, and its subsidiaries and affiliates own all of its assets and conduct all of its operations. Accordingly, Orca's ability to declare and pay dividends will be dependent on the generation of cash flow by the Company's subsidiaries and their ability to make such cash available to Orca, by dividend, debt repayment or otherwise. The Company's subsidiaries and affiliates may not be able to, or may not be permitted to, make distributions to enable the Company to make payments in respect of dividends. Each subsidiary and affiliate is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit the Company's ability to obtain cash from our subsidiaries and affiliates. The terms of outstanding loan agreements and local laws limit the ability of the Company's subsidiaries to pay dividends and distribute funds to the parent companies. If the Company does not receive distributions from its subsidiaries, it may be unable to pay dividends. In addition, the ability of the Company's subsidiaries to make payments to Orca may be constrained by, among other things: (i) the level of taxation, particularly corporate profits and withholding taxes, in the jurisdictions in which they operate; and (ii) the introduction of foreign exchange and/or currency controls or repatriation restrictions that impact the

availability of hard currency to be repatriated. If the Company does not receive distributions from its subsidiaries, it may be unable to pay dividends.

Further, any decision to pay further dividends on the Class A Shares and Class B Shares will be subject to the discretion of the Board of Directors and may depend on a variety of factors, including the Company's earnings, financial position, financial requirements and other conditions existing at such future time including, without limitation, satisfaction of the solvency tests imposed on the Company under applicable corporate law. The actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board of Directors.

Before making an investment decision related to Orca, readers should consider and read carefully all of the risks and uncertainties described in the Company's material change report dated January 24, 2020, those described herein, and Orca's other disclosure documents and any reports, statements or other information that Orca files with the securities regulatory authorities in each of the provinces of Canada, copies of which can be accessed on our website at www.orcaenergygroup.com and under our issuer profile at www.sedar.com.

Forward Looking Information

Certain information regarding Orca set forth in this press release contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Orca's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Orca.

Forward-looking statements in this press release include statements regarding Orca's dividend policy and the Company's capital strategy, including value maximization of the Songo Songo PSA and returns of capital.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to risks and uncertainties regarding or associated with:

- the Company having sufficient financial resources and working capital to make returns of capital;
- reduced global economic activity as a result of the COVID-19 pandemic, including lower demand for natural gas and a reduction in the price of natural gas;
- the potential impact of the COVID-19 pandemic on the health of the Company's employees, contractors, suppliers, customers and other partners and the risk that the Company and/or such persons are or may be restricted or prevented (as a result of quarantines, closures or otherwise) from conducting business activities for undetermined periods of time;
- the impact of actions taken by governments to reduce the spread of COVID-19, including declaring states of emergency, imposing quarantines, border closures, temporary business closures for companies and industries deemed non-essential, significant travel restrictions and mandated social distancing, and the effect on the Company's operations, access to customers and suppliers, availability of employees and other resources;
- risk that contract counterparties are unable to perform contractual obligations;
- drilling wells, including the costs of drilling and whether development drilling results in commercially productive quantities of oil and gas;
- the terms of Orca's future petroleum contracts, including potential obligations to drill wells and declare discoveries in order to retain Orca's exploration and production rights;
- Orca's local operational dependence and focus of its existing contracts;
- Orca's future control over its licence areas and facilities, including its status as operator thereof, and the timing and extent of costs in association therewith;
- estimations of reserves and the present value of future net revenues derived from them;
- Orca's dependency on its management and technical team;
- Orca's business plan including the additional capital required to execute on it;
- Orca's ability to access appropriate equipment and infrastructure in a timely manner;
- the exploration and production of oil and natural gas, including but not limited to drilling and other operational and environmental risks and hazards;
- severe weather including but not limited to tropical storms and hurricanes;
- disagreements regarding certain of Orca's rights and responsibilities under the Songo Songo PSA;
- the geographic location of Orca's current and future licences in Africa and factors generally associated with foreign operations or arising from factors specifically affecting the areas in which Orca operates or may operate;
- the political and economic circumstances in the countries in which Orca operates;
- technological development;
- activism against oil and exploration and development;
- limitations on insurance coverage;
- Orca's operations in a litigious environment;
- global populism;
- Orca's future capitalization which may include additional indebtedness;
- acquisitions and the integration of any target entity or business into Orca's current business;
- cybersecurity and data breaches;
- disease;

- share price volatility and dilution;
- Orca's controlling shareholder and its control over key decision making as a result of its control of a majority of the voting rights attached to Orca's issued and outstanding securities;
- Orca's status as a holding company that's ability to declare and pay dividends and purchase its own securities is dependent upon the receipt of funds from Orca's subsidiaries by way of dividends, fees, interest, loans or otherwise;
- the impact of general economic conditions, including global and local oil and gas prices;
- industry conditions including changes in laws and regulations, and changes in how they are interpreted and enforced;
- competition;
- lack of availability of qualified personnel;
- fluctuations in commodity prices;
- risks related to obtaining approvals of regulatory authorities;
- risks associated with negotiating with governments and other counterparties;
- fluctuations in foreign exchange or interest rates;
- risks associated with obtaining an extension to the Songo Songo PSA and related licence or successfully renegotiating them;
- changes in income taxes or tax rates;
- ability to access sufficient capital from internal and external sources;
- Orca's future capitalization which may include additional indebtedness;
- the failure of counterparties to perform under the terms of their contracts, including collectability of Orca's receivables from such parties;

and other factors, many of which are beyond the control of the Company. Depending on these and other factors, many of which will be beyond the control of Orca, the dividend policy of Orca may change from time to time and, as a result, future cash dividends could be reduced or suspended entirely. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although the forward-looking statements contained in this press release are based upon assumptions which management believes to be reasonable, Orca cannot assure investors that actual results will be consistent with these forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements included in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

With respect to forward-looking statements contained in this press release, Orca has made assumptions regarding, among other things: the Company's expected adjusted funds flow from operations in determining the price paid per share under the dividend policy; the ability of the Company to complete developments and increase its production capacity; continued and timely development of infrastructure in areas of new production; obtaining an extension to the Songo Songo PSA and related licence on terms acceptable to Orca; accuracy of estimates of Orca's resource volumes; availability of skilled labour; availability of transactions to facilitate Orca's growth strategy; growth of demand and consumption of natural gas in Tanzania and throughout Africa; future capital expenditures; timing and amount of capital expenditures; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; receipt of partner, regulatory and community approvals; future operating costs; that there will continue to be no restrictions on the movement of cash from Mauritius or Tanzania; the impact of the COVID-19 pandemic on the demand for and price of natural gas, volatility in financial markets, disruptions to global supply chains and the Company's business, operations, access to customers and suppliers, availability of employees to carry out day-to-day operations, and other resources; that Orca will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed including pursuant to its growth strategy; that Orca's conduct and results of operations will be consistent with its expectations; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated; that the Company will have adequate funding to continue operations; that the Company will successfully negotiate agreements; receipt of required regulatory approvals; the ability of the Company to increase production at a consistent rate; infrastructure capacity; commodity prices will not deteriorate significantly; the ability of the Company to obtain equipment and services in a timely manner to carry out exploration, development and exploitation activities; uninterrupted access to infrastructure; that the Company's appeal of various tax assessments will be successful; and other matters. There are a number of assumptions associated with the development of Orca's assets, including continued performance of existing wells, future drilling programs and performance from new wells, the growth of infrastructure, well density per section, recovery factors and development necessary that involves known and unknown risks and uncertainties, including those risks identified in this press release. Orca believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide investors with a more complete perspective on Orca's current and future operations and such information may not be appropriate for other purposes. Orca's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits Orca will derive. These forward-looking statements are made as of the date of this press release and Orca disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.