



Orca Provides Operation Update

TORTOLA, British Virgin Islands, Aug. 03, 2021 (GLOBE NEWSWIRE) -- Orca Energy Group Inc. ("Orca" or the "Company") is pleased to announce that its subsidiary, PanAfrican Energy Tanzania Ltd., has recently signed an agreement with Exalo Drilling S.A. for the workover of three onshore wells on Songo Songo Island, commencing in September 2021. The 2021 workover program, which will see the wells recompleted with corrosion resistant chrome tubing, will return two wells to production and ensure the third well can continue to produce safely. The 2021 workover program, estimated at a gross cost of \$21.4 million, will increase the production potential from the world class Songo Songo reservoir and ensure the Company remains the leading gas supplier in Tanzania. The Company supplies gas to over 40 industrial customers in Dar es Salaam and is responsible for the production of approximately 60% of gas generated power in the country.

Jay Lyons, Chief Executive Officer, commented:

"With the installation of compression scheduled for completion in 2022, the forthcoming workover of the wells will enable the Company to maintain and increase production for several years as required to reliably meet increasing demand for natural gas as Tanzania's industrialisation accelerates and will ensure Tanzanians continue to benefit from their rich natural resources."

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 Ltd. Orca trades on the TSX Venture Exchange under the trading symbols ORC.A and ORC.B.

Neither the TSX Venture Exchange nor its Regulation Services 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 press release contains forward-looking statements or information (collectively, "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact included in this press release, which address activities, events or developments that Orca expects or anticipates to occur in the future, are forward-looking statements. More particularly, this press release contains, without limitation, forward-looking statements pertaining to the following: the estimated cost of the 2021 well workover program; the increase in production potential of the Songo Songo reservoir as a result of the 2021 well workover program; and the percentage of gas generated power that the Company is responsible for in Tanzania .

These forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, and many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company, including, but not limited to, 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; the potential negative effect on the Company's rights under the Company's production sharing agreement ("PSA") and other agreements relating to its business in Tanzania as a result of the Petroleum Act, passed in 2015 (the "Act"), and other recently enacted and future legislation, as well as the risk that such legislation will create additional costs and time connected with the Company's business in Tanzania; risks regarding the uncertainty around evolution of Tanzanian legislation; the impact of general economic conditions in the areas in which the Company operates; civil unrest; the susceptibility of the areas in which the Company operates to outbreaks of disease; industry conditions; lack of availability of qualified personnel or management; fluctuations in commodity prices, foreign exchange rates and/or interest rates; stock market volatility; competition for, among other things, capital, drilling equipment and skilled personnel; failure to obtain required equipment for drilling; delays in drilling plans; failure to obtain expected results from drilling of wells; changes in laws and regulations including the adoption of new environmental laws and regulations, impact of new local content regulations and changes in how they are interpreted and enforced; imprecision in reserve estimates; the production and growth potential of the Company's assets; obtaining required approvals from regulatory authorities; failure to increase production

volumes and capabilities on Songo Songo Island; risk that the expenditures to increase production volumes and capabilities with the 2021 workover program is higher than anticipated; and unanticipated changes to legislation and the effect on the Company's operations, including, but not limited to, the Act and the Natural Gas Pricing Regulation made under the Act. In addition, there are risks and uncertainties associated with oil and gas operations. Therefore the Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by these forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive.

Such forward-looking statements are based on certain assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances, including, but not limited to, that the Company is able to implement the 2021 workover program on the timeline and at the cost anticipated; that the Company is able to increase production volumes and capabilities on Songo Songo Island; that the Company will be able to negotiate Additional Gas sales contracts; the ability of the Company to complete developments and increase its production capacity; the actual costs to complete the Company's workover program are in line with estimates; 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 the Company 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; 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 further deteriorate significantly; the ability of the Company to obtain equipment and services in a timely manner to carry out exploration, development and exploitation activities; future capital expenditures; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; 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 press release is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable Canadian securities laws.

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