

ORCA ENERGY GROUP INC.
FORM 51-102F3
MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

Orca Energy Group Inc. ("**Orca**" or the "**Company**")
Vistra Corporate Services Centre
Wickhams Cay II, Road Town, Tortola
British Virgin Islands VG1110

2. DATE OF MATERIAL CHANGE

February 24, 2025

3. NEWS RELEASE

Orca issued a news release disclosing the details discussed in this material change report on February 24, 2025, which was disseminated through the facilities of GlobeNewswire, and filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

4. SUMMARY OF MATERIAL CHANGE

On February 24, 2025, Orca announced that it has permanently prepaid the US\$60 million investment (the "**Loan**") made by International Finance Corporation ("**IFC**") in the Company's operating subsidiary, PanAfrican Energy Tanzania Limited ("**PAET**"), pursuant to a loan agreement dated October 29, 2015 among IFC, PAET and the Company (the "**Loan Agreement**").

On February 24, 2025, Orca also announced that PAET has reached an agreement with Tanzania Petroleum Development Corporation ("**TPDC**") and the Tanzania Portland Cement Company Limited ("**TPCC**") in respect to the SGSA (defined below), which SGSA has been executed, effective August 1, 2024.

On February 24, 2025, Orca further announced that it received a judgment (the "**Judgment**") from the Tanzanian High Court (Commercial Division) (the "**Court**") in respect to a claim brought against PAET by a contractor of PAET. Pursuant to the Judgment, the Court ordered specific and general damages in the aggregate of US\$23,100,451, plus legal costs and interest be paid by PAET to the contractor. PAET is evaluating whether to appeal.

5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Prepayment of Loan

On February 24, 2025, Orca announced it has permanently prepaid the Loan made by IFC in the Company's operating subsidiary, PAET, pursuant to the Loan Agreement. To effect the foregoing prepayment, the Company paid to IFC US\$30.6 million, representing the aggregate outstanding principal of the Loan together with all accrued interest thereon and all other amounts owing in connection with the Loan as of February 21, 2025.

As of the date hereof, the annual variable participating interest granted by PAET to IFC under the terms of the Loan Agreement remains outstanding.

Settlement of Supplementary Gas Sales Agreement

On February 24, 2025, Orca announces PAET has reached an agreement with TDPC and TPCC in respect to the SGSA. In 2008, PAET, TPDC and TPCC signed a Gas Sale Agreement ("**2008 GSA**") for the supply of Additional Gas (defined below) to TPCC's Wazo Hill plant ("**Wazo Hill**"). At the same time, TPDC supplied Protected Gas (defined below) to Wazo Hill. In anticipation of the cessation of Protected Gas on July 31, 2024, PAET and TPCC negotiated a Supplementary Gas Sales Agreement ("**SGSA**") to supply to Wazo Hill increased volumes of gas to replace Protected Gas. The SGSA is arranged to operate alongside the original 2008 GSA.

The price of natural gas sold to TPCC is based on the contracted prices as set out in the Amendment Agreement No 2 to the 2008 GSA agreed to in October 2017, plus an estimation of the Songas transportation tariff as determined by the energy regulator, Energy and Water Utilities Regulatory Authority. The gas price under the SGSA is lower than that of the 2008 GSA, affording TPCC a commercially viable blended gas price across the two contracts. Initially, TPDC opposed the SGSA, but an agreement was reached with TPDC in January 2025 and the SGSA was executed, effective August 1, 2024.

"Additional Gas" and "Protected Gas" as used in the 2008 GSA and SGSA are defined in the Songo Songo Production Sharing Agreement between TPDC, the Government of Tanzania and PAET and the Gas Agreement between the Government of Tanzania, TPDC, Songas Limited ("**Songas**") and PAET.

Judgement from Tanzanian High Court (Commercial Division)

On February 24, 2025, Orca announced it has received the Judgment from Court for a claim brought by a contractor against PAET. The claim was brought by the contractor for losses arising from PAET's termination of a contract relating to the Company's 3D seismic acquisition program. The contract was signed in 2022 and works were due to be completed by the end of 2022. However, work only commenced in 2023 and was never completed. Pursuant to the Judgment, the Court ordered specific and general damages in the aggregate of US\$23,100,451, plus legal costs and interest at a rate of 7% per annum be paid by PAET to the contractor. PAET respectfully disagrees with the Judgment and is currently preparing to launch an appeal. It is likely PAET will be required to post-security for the full amount of the judgment until the appeal is resolved.

5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

For additional information, please contact Lisa Mitchell, Chief Financial Officer of Orca at +44-7808639958

9. DATE OF REPORT

February 26, 2025

Forward-Looking Information

Certain information regarding Orca set forth in this material change report, including but not limited to Orca's ability to continue regular distributions to shareholders constitutes "forward-looking information" within the meaning of applicable Canadian securities laws. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking information. More particularly, this material change report contains, without limitation, forward-looking information pertaining to the following: timing as to when PAET will submit its appeal; that PAET will be required to post-security in respect of the appeal and the timing for such security; the assessment by the Company of the merits of the seeking the appeal; the Company's liabilities pursuant to the appeal. Forward-looking information, by its very nature, involves inherent risks and uncertainties and is based on several assumptions, both general and specific. Orca cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty. Such forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Orca to be materially different from the outlook or any future results or performance implied by such information.

The forward-looking information contained in this material change report 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.