

MANAGEMENT'S DISCUSSION & ANALYSIS

THIS MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2026 SHOULD BE READ IN CONJUNCTION WITH THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND NOTES FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TOGETHER WITH THE MD&A FOR THE YEAR ENDED DECEMBER 31, 2025 (the "2025 ANNUAL MD&A"). THIS MD&A IS BASED ON THE INFORMATION AVAILABLE ON JUNE 5, 2026. ALL AMOUNTS ARE REPORTED IN US DOLLARS ("\$\$") UNLESS OTHERWISE NOTED.

THIS MD&A CONTAINS NON-GAAP FINANCIAL MEASURES AND RATIOS AND FORWARD-LOOKING INFORMATION. READERS ARE CAUTIONED THAT THIS MD&A SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURE BELOW UNDER THE HEADINGS "NON-GAAP FINANCIAL MEASURES AND RATIOS", "FORWARD-LOOKING INFORMATION" AND "GLOSSARY" INCLUDED AT THE END OF THIS MD&A.

Nature of Operations

The principal asset of Orca Energy Group Inc. ("Orca" or the "Company") is its indirect interest in the Songo Songo gas field (the "Project"), as set out in the Production Sharing Agreement ("PSA") between PanAfrican Energy Tanzania Limited ("PAET"), the Tanzanian Petroleum Development Corporation ("TPDC") and the Government of Tanzania (the "GoT") in the United Republic of Tanzania ("Tanzania"). Development of the Songo Songo gas field is governed by the Songo Songo Development Licence (the "Licence"), granted by the GoT to the TPDC in 2001 and set to expire on October 10, 2026. PAET is the Company's wholly owned subsidiary operating in Tanzania. The PSA covers the production and marketing of natural gas from the Songo Songo gas field offshore of Tanzania. The PSA defines the gas produced from the Songo Songo gas field as "Protected Gas" and "Additional Gas". The gas agreement (the "Gas Agreement") deals further with the parties' entitlement to Protected Gas and Additional Gas. Under the Gas Agreement, until July 31, 2024, Protected Gas was owned by TPDC and was sold to Songas Limited ("Songas") and Tanzania Portland Cement PLC ("TPCPLC"). After July 31, 2024, Protected Gas ceased and all production from the Songo Songo gas field constitutes Additional Gas which PAET and TPDC are entitled to sell on commercial terms until the PSA expires in October 2026. Songas is the owner of the infrastructure that enables the gas to be treated and delivered to Dar es Salaam, which includes a gas processing plant on Songo Songo Island (collectively, the "Songas Infrastructure").

The Tanzanian Electric Supply Company Limited ("TANESCO") is a parastatal organization wholly owned by the GoT with oversight by the Ministry of Energy (the "MoE"). TANESCO is responsible for the majority of electricity generation, transmission and distribution throughout Tanzania. Natural gas has become an integral component of TANESCO's power generation fuel mix as a more reliable source of supply over seasonal hydropower as well as a more cost-effective and lower carbon dioxide intensive alternative to liquid fuels. The Company and TPDC as joint sellers currently supply Additional Gas directly to TANESCO by way of the Portfolio Gas Supply Agreement (the "PGSA"). The Company also supplies Additional Gas to TPDC at the well head through a long-term gas sales agreement (the "LTGSA"). The PGSA was originally set to expire on July 31, 2024, but was extended on July 30, 2024. The PGSA and the LTGSA each expire on October 10, 2026.

In addition to supplying gas to TPDC, Songas and TANESCO, the Company has developed more than 50 contracts to supply gas to Dar es Salaam's industrial market and sells compressed natural gas to some industries, to CNG retailers and directly to domestic, suitably converted vehicles in Dar es Salaam.

Financial and Operating Highlights for the Three Months Ended March 31, 2026

	Three Months ended March 31		% Change
(Expressed in \$'000 unless indicated otherwise)	2026	2025	Q1/26 vs Q1/25
OPERATING			
Daily average gas delivered and sold (MMcfd)	79.7	72.0	11%
Industrial	21.1	19.1	10%
Power	58.6	52.9	11%
Average price (\$/mcf)			
Industrial	7.86	7.98	(2)%
Power	4.01	3.92	2%
Weighted average	5.03	4.99	1%
Operating netback (\$/mcf)¹	2.66	2.87	(7)%
FINANCIAL			
Revenue	28,397	25,391	12%
Net income attributable to shareholders	3,468	102	n/m
per share – basic and diluted (\$)	0.18	0.01	n/m
Net cash flows (used in) / from operating activities	(906)	20,264	n/m
per share – basic and diluted (\$) ¹	(0.05)	1.03	n/m
Capital expenditures¹	(6)	548	n/m
Weighted average Class A and Class B shares ('000)	19,765	19,766	0%
	March 31, 2026	As at December 31, 2025	% Change
Working capital (including cash)¹	7,945	27,411	(71)%
Cash and cash equivalents (excluding restricted cash)	55,202	86,986	(37)%
Outstanding shares ('000)			
Class A	1,750	1,750	0%
Class B	18,015	18,015	0%
Total shares outstanding	19,765	19,765	0%

¹ Please refer to the “Non-GAAP Financial Measures and Ratios” section of the MD&A for additional information.

Financial and Operating Highlights for Q1 2026

- Revenue for Q1 2026 increased by 12% compared to the same prior year period, primarily as a result of a higher volumes, partially offset by the increase in the TPDC share of revenue.
- Additional Gas volumes increased by 11% for Q1 2026 compared to the same prior year period, mainly a result of increased consumption by power customers, particularly TANESCO.
- On August 7, 2024, PAET and Pan African Energy Corporation (Mauritius) ("PAEM") issued a notice of dispute (the "Notice of Dispute") in respect of an investment treaty claim against the GoT for breach of the Agreement on Promotion and Reciprocal Protection of Investment between the Government of the Republic of Mauritius and the GoT (the "BIT"), and a contractual dispute against the GoT and TPDC, for breaches of the: (i) the PSA, and (ii) the Gas Agreement, for damages in excess of \$1.2 billion. Initial meetings with both the Advisory and Coordinating Committees were held during the week of October 14, 2024 without any resolution on the key issues in dispute. Following a period of negotiations with the GoT, on August 1, 2025, PAET issued two sets of arbitration proceedings against the GoT and TPDC registered with the International Centre for Settlement of Investment Disputes ("ICSID") for breach of the PSA and GA respectively and PAEM issued arbitration proceedings against the GoT for breach of the BIT (the "RFAs"). The claims under the RFAs arise out of a series of actions and omissions by Tanzania and TPDC that threaten the viability of the Project and breach multiple obligations under the BIT, PSA and Gas Agreement. On August 28, 2025, ICSID registered all three RFAs. The proceedings under the Gas Agreement and PSA were consolidated by agreement of the parties on December 17, 2025. On February 11, 2026, the arbitral tribunal in the Gas Agreement and the PSA arbitration was constituted, and on February 13, 2026, the arbitral tribunal in the BIT arbitration was constituted. The tribunals held the first procedural hearings in the proceedings under the BIT on April 27, 2026, and in the consolidated proceedings under the Gas Agreement and the PSA on May 7, 2026.
- Net income attributable to shareholders increased by \$3.4 million for Q1 2026 compared to the same prior year period, primarily as a result of the increased revenue.
- Net cash flows from operating activities decreased by \$21.2 million in Q1 2026 compared to the same prior year period, primarily as a result of the changes in non-cash working capital, including the higher payment of the 2025 current liability associated with Additional Profits Tax ("APT") in Q1 2026.
- Capital expenditures decreased by \$0.6 million for Q1 2026 compared to the same prior year period. The capital expenditures in Q1 2026 and Q1 2025 primarily related to the costs of flowlines replacements on SS-5 and SS-9 wells, deferred from 2024 at the request of the GoT. Capital expenditures for Q1 2026 are presented net of credits received from a supplier previously involved in the workover program.
- The Company exited Q1 2026 with \$7.9 million in working capital (December 31, 2025: \$27.4 million) and cash and cash equivalents (excluding restricted cash) of \$55.2 million (December 31, 2025: \$87.0 million). Cash held in hard currencies (USD, Euro, GBP, CDN) as at March 31, 2026 was \$54.5 million (December 31, 2025: \$82.8 million). In addition to the total unrestricted cash balance of \$55.2 million, \$24.7 million was posted as security in respect to an appeal initiated by the Company relating to a judgment received from the Tanzania High Court (Commercial Division) for a claim brought by a contractor against PAET relating to alleged losses arising from PAET's termination of a contract relating to the Company's 3D seismic acquisition program. On May 11, 2026, \$19.3 million was paid in full and final settlement and the restrictions lifted on the remaining security balance of \$5.4 million. Of the total unrestricted cash balance of \$55.2 million, \$38.7 million is held by Orca, \$4.3 million by PAEM, and \$12.2 million by PAET.
- On February 27, 2026, the Company entered into an agreement with Swala Oil and Gas (Tanzania) plc (in liquidation) ("Swala") for the withdrawal without leave to refile of Swala's proceedings against Orca, PAEM, and PAET (collectively, the "Orca Group") before the High Court of Tanzania in Case No. 11561 of 2025 (the "Tanzanian Proceedings"), and the withdrawal of the anti-suit injunction filed by the Orca Group against Swala in the High Court of England and Wales Commercial Court. The Orca Group and Swala agreed to refer any such dispute to a confidential arbitration conducted under the Arbitration Rules of the London Court of International Arbitration, with London as the place and seat of such arbitration.
- On April 10, 2026 the Orca Group filed a Request for Arbitration under the LCIA Arbitration Rules (2020) pursuant to Clause 2.6 of the Settlement Deed executed on February 26, 2026 by Orca, PAEM, PAET and Swala seeking, declaratory and monetary reliefs against Swala and a new entity to which Swala assigned its claims. Specifically, the Claimants seek declarations that the claims advanced by Swala in the Tanzanian Proceedings and assigned to the new Swala entity have no legal or factual basis and must fail. Instead, those claims are wholly speculative and vexatious and have been manufactured in an attempt to circumvent the comprehensive release contained in the related share sale agreement.
- In February 2025, the Company fully prepaid the \$60 million investment (the "Loan") made by International Finance Corporation ("IFC") in PAET, pursuant to a loan agreement dated October 29, 2015 between the IFC, PAET and the Company (the "Loan Agreement"). To effect the foregoing prepayment, the Company paid IFC \$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 the IFC under the terms of the Loan Agreement remains outstanding. Such participation interest will continue to accrue until October 15, 2026.
- In February 2025, the Company received the Judgment (the "Judgment") from the Tanzanian High Court (Commercial Division) (the "Court") relating to the claim brought by a contractor against PAET. Pursuant to the Judgment, the Court ordered specific and general damages in the aggregate of \$23.1 million, plus legal costs and interest at a rate of 7% per annum to be paid by PAET to the contractor. PAET initiated the appeal process. PAET was required to post security for the full amount of the judgment until the appeal is resolved. The appeal was heard in December 2025 and in its decision dated February 3, 2026 (the "Appeal Judgment"), the Court partially allowed the Appeal. The Appeal Judgment awarded the contractor damages in the aggregate of \$17.9 million, while dismissing several grounds for damages against PAET in the aggregate of \$5.2 million. The Company has treated the Appeal Judgment as an adjusting event to the 2025 financial statements reducing the liability recognized in 2025. On February 9, 2026, PAET filed an application for review of the Appeal Judgment and wrote to the Chief Justice of the Judiciary of Tanzania seeking their urgent intervention. The Company has also filed for a stay of execution of the Appeal Judgment. This review was heard in March 2026. On April 30, 2026, the result of the review was announced with all items dismissed and the award upheld. The Company included \$17.9 million of the awarded damages from the cost pool under the terms of the PSA in 2025.
- On February 9, 2026, the Company declared a special dividend of CDN\$2.00 per share on each of its Class A Shares and Class B Shares for a total of \$28.8 million to holders of record as of February 23, 2026. The dividend was paid on February 27, 2026.
- On January 8, 2026, PAET notified the Tanzanian Petroleum Upstream Regulatory Authority and TPDC that the majority of PAET staff have joined the Tanzanian Union of Industrial Workers ("TUICO") and that a confidential Collective Bargaining Agreement (the "CBA") between PAET and TUICO has been executed on January 5, 2026. The CBA specifies staff benefits, including for individual or collective retrenchment. Whilst PAET has no existing plans for redundancies or retrenchment, the Company calculates the maximum prospective payment across all its local workforce based on 2026 staff salary levels to be circa \$7 million.
- On April 13, 2026, Orca announced that it had entered into a definitive Share Purchase Agreement (the "Share Purchase Agreement") with Taifa Gas Tanzania Limited ("Taifa") and Amber Energy Investment L.L.C-FZ ("Amber"), and together with Taifa, the "Purchasers") pursuant to which Orca will sell all of the outstanding shares of PAEM (the "Transaction"). Upon closing of the Transaction, Taifa will acquire 49% of PAEM and Amber will acquire 51%. The Share Purchase Agreement provides for a nominal cash price of US\$10.00 for the PAEM shares, which is in addition to the other covenants, warranties, representations and obligations of the Purchasers under the agreement and the strategic and commercial benefits that would accrue to Orca by exiting its Tanzanian business. Closing of the Transaction is subject to customary and transaction-specific conditions, including approval or clearance from the Tanzania Fair Competition Commission and the Tanzanian Minister responsible for petroleum affairs, approval by a simple majority of the votes cast by Orca

shareholders at the Company's annual general and special meeting of shareholders, acceptance by the TSX Venture Exchange (the "TSXV") of the Transaction and related matters requiring the TSXV's approval or acceptance, and the release of Orca from remaining guarantees and related undertakings in favor of the IFC in respect of obligations of PAEM and PAET. Any party may terminate the Share Purchase Agreement for any reason.

Operating Volumes

The average gross daily sales volume increased by 11% for Q1 2026 over the comparable prior year period. The increase was mainly driven by higher consumption by TANESCO, resulting from an earlier onset of the rainfall season and increased hydro consumption in Q1 2025.

The Company's gross sales volumes were split between the industrial and power sectors as detailed in the table below:

	Three Months ended March 31	
	2026	2025
Gross sales volume (MMcf)		
Industrial sector	1,900	1,723
Power sector	5,277	4,764
Total volumes	7,177	6,487
Gross daily sales volume average (MMcfd)		
Industrial sector	21.1	19.1
Power sector	58.6	52.9
Gross daily sales volume average total	79.7	72.0

Industrial Sector

Industrial sector gross daily sales volumes increased by 10% for Q1 2026 over the comparable prior year period. The increase was a result of increased consumption by industrial customers due to a higher demand for services and products.

Power Sector

Power sector gross daily sales volumes increased by 11% for Q1 2026 over the comparable prior year period. The increase was a result of increased deliveries to TANESCO.

Protected Gas Volumes

Under the terms of the Gas Agreement Protected Gas ceased after July 31, 2024, whereafter all gas from the Songo Songo gas field is now classified as Additional Gas. It is our belief that PAET is fully entitled to compensation at a commercial rate for all volumes of gas lifted by Songas starting on August 1, 2024. Gas continued to flow to Songas following August 1, 2024 to October 31, 2024 and there is a risk that PAET will not receive full payment or payment may form part of a contract dispute. The Company continues to work on a resolution of this issue.

Commodity Prices

The commodity prices achieved in the different sectors during the respective periods are detailed in the table below:

	Three Months ended March 31	
	2026	2025
\$/mcf		
Average sales price		
Industrial sector	7.86	7.98
Power sector	4.01	3.92
Weighted average price	5.03	4.99

Industrial Sector

The average sales price for the industrial sector decreased by 2% for Q1 2026 over the comparable prior year period. In Q1 2025, the Supplementary Gas Agreement was retroactively approved and TPCPLC became eligible for lower pricing with an effective date of August 1, 2024.

Power Sector

The average sales price for the power sector increased by 2% for Q1 2026 over the comparable prior year period. The average power sector sales price varies depending on whether gas is delivered and sold through the National Natural Gas Infrastructure ("NNGI") or the Songas Infrastructure. Sales through the NNGI are to TPDC and do not include processing and transportation tariffs which are included in gas delivered through the Songas Infrastructure.

Revenue

Under the terms of the PSA the Company is responsible for invoicing, collecting and allocating the revenue from Additional Gas sales (see "Principal Terms of the PSA and Related Agreements" in the 2025 Annual MD&A for a summary of the terms of the PSA).

The Company is entitled to recover all costs incurred on the exploration, development and operation of the project ("Cost Gas revenue") up to a maximum of 75% of the net field revenue (gross field revenue less the tariff for processing and pipeline infrastructure) prior to allocating the remaining net field revenue between TPDC and the Company ("Profit Gas revenue"). Any costs not recovered in a period are carried forward for recovery out of future revenues. Once the Cost Gas revenue has been recovered, TPDC is able to recover any pre-approved marketing costs. Currently there are no pre-approved marketing costs for TPDC.

The Company is liable for income tax in Tanzania, but under the terms of the PSA, TPDC's share of revenue is reduced by the current tax payable grossed up at 30% ("adjustment factor"). Revenue as presented on the Company's Consolidated Statements of Comprehensive Income is calculated by adjusting the Company's operating revenue by the income tax adjustment.

The reconciliation of gross field revenue to revenue is detailed below:

	Three Months ended March 31	
\$'000	2026	2025
Industrial sector	14,937	13,742
Power sector	21,169	18,652
Gross field revenue	36,106	32,394
TPDC share of revenue	(12,076)	(9,541)
Current income tax adjustment "Adjustment Factor" ⁽¹⁾	4,367	2,538
Revenue	28,397	25,391

(1) The "Adjustment Factor" is part of the PSA mechanism for allocating revenue between the Company and TPDC.

Revenue increased by 12% for Q1 2026 over the comparable prior year period. The increase is primarily a result of a higher gross field revenue, partially offset by the increase in the TPDC share of revenue.

The average Additional Gas sales volumes for the quarters ended March 31, 2026 and March 31, 2025 were above 50 MMcfd which entitled the Company to a 55% share of Profit Gas revenue. The Company was allocated a total of 65% of the Additional Gas net field revenue for Q1 2026 (Q1 2025: 68%).

Production, Distribution and Transportation Expenses

The production, distribution and transportation costs are detailed in the table below:

	Three Months ended March 31	
\$'000	2026	2025
Operating costs	628	771
Tariff for processing and pipeline infrastructure	3,226	2,770
Ring-main distribution costs	1,084	662
	4,938	4,203

Operating costs include well maintenance costs, PSA licence costs, regulatory fees, insurance, certain costs associated with evaluation of the reserves and the costs of personnel not recoverable from Songas. Operating costs decreased by 19% for Q1 2026 compared to the same prior year period, primarily as a result of a lower insurance cost. The amount paid under the tariff for processing and pipeline infrastructure increased by 16% for Q1 2026 compared to the same prior year period. The increase was a result of increased gas volumes processed and delivered through the Songas Infrastructure. Ring-main distribution costs increased by 64% for Q1 2026 compared to the same prior year periods. The increase was a result of higher consumption of spares in Q1 2026.

Operating Netbacks

The operating netback per mcf before general and administrative expenses, tax and APT is detailed in the table below (see "Non-GAAP Financial Measures and Ratios" in this MD&A):

	Three Months ended March 31	
\$/mcf	2026	2025
Weighted average price for gas	5.03	4.99
TPDC Profit Gas revenue entitlement	(1.68)	(1.47)
Production, distribution and transportation expenses	(0.69)	(0.65)
Operating netback	2.66	2.87

The operating netback decreased by 7% for Q1 2026 over the comparable prior year period, primarily as a result of a higher TPDC Profit Gas revenue entitlement.

Long Term Retention Plan

In 2023, the Company introduced the long-term retention award plan ("Long Term Retention Plan") effectively replacing the stock based compensation program previously in place. The total potential award amount payable to eligible participants (employees and directors) under the plan is \$4.5 million (year ended December 31, 2025: \$4.5 million), with an award payment date of September 30, 2026, subject to certain conditions. The award amount is being recognized on a straight-line basis over the four-year period in general and administrative expenses.

General and Administrative Expenses

General and administrative expenses are split between the Company's head office and Tanzania. A significant percentage of administration expenses relate to office and management costs that support our operations in Tanzania and are cost recoverable under the PSA.

	Three Months ended March 31	
\$'000	2026	2025
Tanzania	1,852	1,939
Corporate	3,244	2,504
	5,096	4,443

General and administrative expenses are detailed in the table below:

Three Months ended

	March 31	
\$'000	2026	2025
Employee and related costs	1,860	2,056
Office costs	1,039	1,055
ESG, marketing and business development costs	–	78
Reporting, regulatory and corporate	2,197	1,254
	5,096	4,443

General and administrative expenses averaged \$1.7 million per month during Q1 2026 (Q1 2025: \$1.5 million). The 10% decrease in employee and related costs for Q1 2026 over the comparable prior year period was mainly a result of the decrease in subsurface related activities. Office costs, as well as ESG, marketing and business development costs, have not significantly changed during Q1 2026 over the comparable prior year period. The 75% increase in reporting, regulatory and corporate costs for Q1 2026 over the comparable prior year period was due to an increase in costs related to professional services, mainly legal services.

Depletion and Depreciation

Natural gas properties are depleted using the unit of production method based on the production for the period as a percentage of the total future production from the Songo Songo proved reserves. The average depletion rate for the quarter ended March 31, 2026 was \$1.09/mcf compared to \$1.26/mcf for the comparable prior year period.

	Three Months ended March 31	
\$'000	2026	2025
Natural gas interests	7,810	8,146
Office and other	28	59
Right-of-use assets	77	77
	7,915	8,282

The depletion charge for natural gas interests decreased by 4% for Q1 2026 compared to Q1 2025.

Finance Income and Expense

Finance income is detailed in the table below:

	Three Months ended March 31	
\$'000	2026	2025
Interest income	509	446
	509	446

Finance expense is detailed in the table below:

	Three Months ended March 31	
\$'000	2026	2025
Base interest expense	–	551
Participation interest expense	103	980
Lease interest expense	3	9
Interest expense	106	1,540
Net foreign exchange loss	1,992	2,588
Other financing costs	309	–
Indirect tax	–	326
	2,407	4,454

Base interest expense and participation interest expense relate to the Loan from the IFC to PAET. Base interest on the Loan was payable quarterly in arrears at 10% per annum on a “pay-if-you-can-basis” using a formula to calculate the net cash available for such payments as at any given interest payment date. The participation interest expense is paid annually in arrears and equates to 6.4% of PAET’s net cash flows from operating activities less cash flows used in investing activities for the year. Such participation interest will continue to accrue until October 15, 2026. The decrease in participation interest expense is primarily a result of the decrease in PAET’s net cash flows from operating activities net of net cash used in investing activities.

On February 21, 2025, the Company fully repaid the \$60.0 million Loan made by the IFC to PAET, pursuant to the Loan Agreement. The Company paid to the IFC \$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. The annual variable participating interest granted by PAET to the IFC under the terms of the Loan Agreement remains outstanding.

Net foreign exchange loss includes realized and unrealized revaluation gains and losses. Other financing costs include interest related to the Judgment received from the Tanzania High Court (Commercial Division) for a claim brought by a contractor against PAET relating to losses arising from PAET’s termination of a contract.

Additional Profits Tax

	Three Months ended March 31	
	2026	2026
\$'000		
APT	2,522	2,400

Under the terms of the PSA, APT is payable when the Company has recovered its costs plus a specified return out of Cost Gas revenue and Profit Gas revenue. As a result: (i) no APT is payable until the Company recovers its costs out of Additional Gas revenue plus an annual operating return under the PSA of 25% plus the percentage change in the United States Industrial Goods Producer Price Index ("PPI"); and (ii) the maximum APT rate is 55% of the Company's Profit Gas revenue when costs have been recovered with an annual return of 35% plus the percentage change in PPI.

The timing and the effective rate of APT depends on the realized value of Profit Gas revenue which in turn depends on the level of expenditure. The Company provides for APT by annually forecasting the total APT payable in the future as a proportion of the forecast Profit Gas revenue over the term of the PSA. The forecast takes into account the timing of future development capital spending. As at March 31, 2026, the current portion of APT payable was \$5.6 million (December 31, 2025: \$15.7 million) with a long-term APT payable of \$ nil (December 31, 2025: \$ nil). APT of \$12.5 million was paid in Q1 2026 based on the 2025 results (Q1 2025: \$7.8 million paid based on 2024 results).

The effective APT rate of 17.1% for the quarter (Q1 2025: 20.6%) has been applied to Company Profit Gas revenue of \$14.8 million (Q1 2025: \$11.7 million). Accordingly, \$2.5 million (Q1 2025: \$2.4 million) of APT has been recorded in the Condensed Consolidated Interim Statements of Comprehensive Income (Unaudited) for the quarter.

Working Capital

Working capital as at March 31, 2026 was \$7.9 million (December 31, 2025: \$27.4 million) and is detailed in the table below (see also "Non-GAAP Financial Measures and Ratios" in this MD&A):

	As at			
	March 31, 2026	December 31, 2025		
\$'000				
Cash and cash equivalents¹	79,919			111,703
Trade and other receivables				
Songas	2,233		2,297	
TPDC	5,841		6,775	
TANESCO	11,132		7,152	
TPCPLC	2,292		2,979	
Industrial customers and other receivables	15,857		11,584	
Loss allowance	(710)	36,645	(710)	30,077
Prepayments	2,994			3,026
	119,558			144,806
Trade and other liabilities				
TPDC share of Profit Gas revenue ²	32,606		28,590	
Songas	2,877		2,798	
Other trade payables and accrued liabilities	44,202		46,119	
Current portion of APT	5,634	85,319	15,690	93,197
Tax payable	26,294			24,198
	111,613			117,395
Working capital	7,945			27,411

¹ \$24.7 million of restricted cash posted as security for the full amount of the Judgment in the contractor dispute is excluded from the calculation of working capital. Whilst this amount of cash was restricted until the legal proceedings were fully concluded, the Appeal Judgment on February 3, 2026 reduced the award of damages to \$17.9 million plus 7% interest per annum. On May 11, 2026, \$19.3 million was paid in full and final settlement and the restrictions lifted on the remaining security balance of \$5.4 million.

² The balance of \$32.6 million payable to TPDC is the liability for TPDC's share of Profit Gas revenue. Now that the issue of unpaid gas deliverables with TANESCO has been resolved, the balance of this liability beyond payments of \$3.7 million and \$6.3 million made to TPDC in March 2026 and April 2026, respectively, substantially represents the loss the Company suffered through the negative impact on its profit share percentage allocation as a result of displaced gas sales over the period of Q4 2015 to Q4 2017 from a forced interconnection at Ubungu and amounts on hold pending TRA's acceptance of the 2025 PAET tax return. This balance will only be paid or cleared once the historic differences with TPDC have been resolved and TRA have completed their review of the 2025 tax return. For their allocation of Profit Gas revenue, the Company paid TPDC \$8.7 million in April 2025, \$14.5 million in July 2025, \$11.5 million in October 2025, \$3.7 million in March 2026 and \$6.3 million in April 2026.

Financial Instruments

Current financial instruments of the Company include cash and cash equivalents, trade and other receivables, trade and other liabilities and tax payable. The carrying values of the financial instruments approximate fair values due to their relatively short periods to maturity. The risks associated with the Company's financial instruments are primarily attributed to the inherent riskiness of the Tanzanian cash holdings and the ability to exchange Tanzanian shillings for hard currencies, and the risk that trade and other receivables may not be paid when due. The Company mitigates these risks by (i) holding, when possible, the majority of its cash (other than Tanzanian shillings) outside of Tanzania in reputable international financial institutions primarily in Jersey and Mauritius which reduces the Company's exposure to geo-political risks; (ii) monitoring and reviewing the trade and other receivables on a regular basis to determine if allowances are required for overdue amounts or action is required to restrict deliveries on past due accounts to reduce exposure on outstanding receivables; and (iii) seeking payments from its customers, when possible, in US dollars. As of March 31, 2026, over 90% of receipts from domestic customers are denominated in Tanzanian shillings. There are no restrictions on the movement of cash from Jersey, Mauritius or Tanzania.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets cease to be recognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Working Capital Requirements

The Company expects to have sufficient cash flow from operating activities to maintain adequate working capital to cover both short-term and long-term obligations for 2026. The Company maintains adequate US dollars and other hard currencies on hand to ensure it can meet all its foreign denominated capital expenditure obligations and deal with possible fluctuations in liquidity from operational problems and US dollar liquidity issues in Tanzania. During 2024, the global growth slowdown saw an increased decline in foreign exchange reserves in Tanzania, which gave rise to decreased availability of US dollars in Tanzania and impaired the Company's ability to convert Tanzanian shillings directly to US dollars. The Company has seen an improvement in US dollar availability in 2025 and in Q1 2026, however, there is still a risk that the Company may not be able to convert Tanzanian shillings to hard currencies, such as US dollars, in the future as and when required.

TANESCO receivable

As at March 31, 2026, the current receivable from TANESCO was \$11.1 million (December 31, 2025: \$7.2 million). During Q1 2026 the Company invoiced TANESCO \$17.3 million (Q1 2025: \$14.4 million) for gas deliveries and received \$13.3 million in payments (Q1 2025: \$14.6 million). Based on the consistent payments from TANESCO, the Company recognized all amounts invoiced for gas deliveries in Q1 2026 and Q1 2025 as revenue.

Subsequent to March 31, 2026, the Company has collected all outstanding amounts for Q1 2026 gas deliveries.

Capital Expenditures

The capital expenditures (see "Non-GAAP Financial Measures and Ratios" in this MD&A) in Q1 2026 and in Q1 2025 primarily related to the flowlines replacement program for SS-5 and SS-9 wells, deferred at the request of the GoT from 2024. Capital expenditures for Q1 2026 are presented net of credits received from a supplier previously involved in the workover program.

	Three Months ended March 31	
	2026	2025
\$'000		
Pipelines, well workover and infrastructure	(6)	548
	(6)	548

Capital Requirements

Except as described below, there are no contractual commitments for exploration or development drilling or other field development, either in the PSA or otherwise agreed, which would give rise to significant capital expenditure with respect to the Songo Songo gas field. Any additional significant capital expenditure in Tanzania is discretionary.

On April 14, 2023, PAET formally requested TPDC apply for an extension of the Licence. TPDC was contractually required to make this application promptly upon request by the Company. In November 2024, TPDC submitted an application for the extension of the Licence to the MoE, however, their proposed terms were uneconomic, and the Company informed TPDC that it did not agree with the terms as submitted. TPDC declined to address PAET's concerns itself, and refused to rescind and resubmit the application, advising PAET to raise any issues directly to the MoE.

The Company's Counsel subsequently submitted a letter to the MoE, requesting an urgent meeting to address the issues. The MoE invited PAET to meet to negotiate on two occasions but, having declined to address PAET's legitimately raised concerns regarding the TPDC proposal, and having refused to provide any counter proposals in advance of such meetings, PAET declined to attend, proposing instead alternative meetings, subject to the provision of a counter proposal by the Government Negotiating Team. The parties eventually met in March 2026, whereupon the Government Negotiating Team presented commercial and operational conditions for a 20-year extension of the Licence. Evaluation of the proposed terms were not commercially viable for PAET and negotiations for a Licence extension continue. In April 2026, the Company wrote to the Minister for Energy explaining that the Government Negotiating Team's proposed terms for the extension of the Licence were, if properly evaluated, clearly uneconomic. The Ministry of Energy responded that same month advising the Company to address all concerns to the Government Negotiating Team. In May 2026, the Company wrote to the Government Negotiating Team, once more requesting that they submit a new, economically viable proposal on the terms and conditions for a Licence extension.

Until an extension has been finalized, a high degree of uncertainty exists with respect to the extent of the Company's operating activities subsequent to October 2026, when the Licence is set to expire. Given the time remaining on the existing Licence, lack of progress on the Licence extension application request, and the recent filing for arbitration by both PAEM and PAET in respect to the RFAs, all capital projects, other than maintenance and those necessary for essential safety are currently on hold.

Long-term Receivables

	As at	
	March 31, 2026	December 31, 2025
\$'000		
Lease deposit	10	10
	10	10

Long-term Loan

In 2015 PAET obtained the Loan with the IFC, a member of the World Bank Group, for \$60 million. The Loan was fully drawn down in 2016.

The Loan was to be paid out through six semi-annual payments of \$5.0 million starting October 15, 2022 and one final payment of \$25.2 million was to be due on October 15, 2025. The Loan was an unsecured subordinated obligation of PAET. Dividends and distributions from PAET to PAEM were restricted at any time whenever amounts of interest, principal or participating interest are due and outstanding.

On February 21, 2025, the Company fully repaid the \$60 million Loan. The Company paid to the IFC \$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. The annual variable participating interest granted by PAET to the IFC under the terms of the loan agreement with the IFC remains outstanding.

Outstanding Shares

The Class A Shares are convertible at any time at the option of the holder into Class B Shares on a one-for-one basis. Subject to the terms and conditions of conversion specified in the memorandum of association and articles of association of the Company, the Class B Shares are convertible into Class A Shares on a one-for-one basis if an offer is made to purchase Class A Shares that: (i) must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Class A Shares are listed, be made to all or substantially all of the holders of Class A Shares; and (ii) are not made concurrently with an offer to purchase Class B Shares that is identical to the offer to purchase Class A Shares and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Class A Shares. The conversion right does not come into effect under certain events specified in the memorandum of association of the Company, including, without limitation, the prior delivery to the Company's transfer agent and to the Secretary of the Company of a certificate signed by one or more shareholders owning more than 50% of the then outstanding Class A Shares.

On November 18, 2024, the Company commenced a normal course issuer bid (the "2024 NCIB") to purchase Class B Shares through the facilities of the TSXV and alternative trading systems in Canada. The 2024 NCIB terminated on November 17, 2025. The Company repurchased for cancellation 7,100 Class B Shares at a weighted average price of CDN\$3.17 pursuant to the 2024 NCIB.

1,749,895 Class A Shares and 18,015,014 Class B Shares were outstanding as at March 31, 2026. 1,749,895 Class A Shares and 18,022,114 Class B Shares were outstanding as at December 31, 2025. See "Normal Course Issuer Bid and Dividends" in this MD&A.

Cash Flow Summary

\$'000	Three Months ended March 31	
	2026	2025
Operating activities		
Net income	3,468	102
Non-cash adjustments	10,333	10,937
Interest expense	106	1,540
Changes in non-cash working capital ¹	(14,813)	7,685
Net cash flows (used in) / from operating activities	(906)	20,264
Net cash used in investing activities	(343)	(7,650)
Net cash used in financing activities	(30,442)	(32,773)
Decrease in cash	(31,691)	(20,159)

¹ See Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

The Company's net income increased by \$3.4 million for Q1 2026 over the comparable prior year period primarily as a result of the increased revenue. The Company's net cash flows from operating activities decreased by \$21.2 million for Q1 2026 over the comparable prior year period primarily as a result of the changes in non-cash working capital. The decrease in net cash used in investing activities for Q1 2026 over the comparable prior year period was mainly a result of changes in non-cash working capital related to the SS-7 well workover program in Q1 2025. The decrease in net cash used in financing activities for Q1 2026 over the comparable prior year period was an outcome of paying off the loan in Q1 2025.

Related Party Transactions

The Chair of the Company's Board of Directors is Counsel of Burnet, Duckworth & Palmer LLP, a law firm that provides legal advice to the Company and its subsidiaries. Fees for services provided by this firm totalled \$0.1 million for Q1 2026 (Q1 2025: \$0.2 million). As at March 31, 2026 the Company had a total of \$0.1 million (December 31, 2025: \$0.5 million) recorded in trade and other liabilities in relation to related parties.

Normal Course Issuer Bid and Dividends

On November 18, 2024 the Company commenced the 2024 NCIB to purchase Class B Shares through the facilities of the TSXV and alternative trading systems in Canada. Purchases pursuant to the 2024 NCIB were made by Research Capital on behalf of the Company and were not to exceed 500,000 Class B Shares, representing approximately 2.77% of the total outstanding Class B Shares as of November 13, 2024. The 2024 NCIB was in effect from November 18, 2024 until November 17, 2025. Purchases of Class B Shares under the 2024 NCIB were made by Research Capital based on the parameters prescribed by the TSXV and applicable securities laws. The acquisition price of Class B Shares under the 2024 NCIB was not to exceed the market price of the Class B Shares at the time of acquisition and the funds available to acquire the Class B Shares were to come from the Company's working capital and cash flow. All Class B Shares purchased under the 2024 NCIB were to be cancelled. As at November 17, 2025, being the last day of the 2024 NCIB, the Company had repurchased for cancellation 7,100 Class B Shares at a weighted average price of CDN\$3.17 pursuant to the 2024 NCIB.

Dividend Summary

Declaration date	Record date	Payment date	Amount per share (CDN\$)
May 27, 2026	June 30, 2026	July 15, 2026	0.10
March 5, 2026	March 31, 2026	April 14, 2026	0.10
February 9, 2026	February 13, 2026	February 27, 2026	2.00
November 27, 2025	December 31, 2025	January 14, 2026	0.10
September 23, 2025	September 29, 2025	October 6, 2025	1.00
August 13, 2025	September 30, 2025	October 15, 2025	0.10
May 14, 2025	June 30, 2025	July 15, 2025	0.10
February 14, 2025	March 31, 2025	April 14, 2025	0.10

Consolidation

The companies which are being consolidated for the purposes of this MD&A are:

Company	Incorporated	Holding
Orca Energy Group Inc.	British Virgin Islands	Parent Company
Orca Exploration UK Services Limited ¹	United Kingdom	100%
PAE PanAfrican Energy Corporation	Mauritius	100%
PanAfrican Energy Tanzania Limited	Jersey	100%

¹ Orca Exploration UK Services Limited was dissolved on April 29, 2025.

Contingencies

Taxation

					As at	
Amounts in \$' millions					March 31, 2026	December 31, 2025
Area	Period	Reason for dispute	Principal	Interest	Total	Total
Income tax	2008-09 2012-20 2023	Deductibility of capital expenditures and expenses (2012, 2015 and 2016), additional income tax (2008 and 2012), foreign exchange rate application (2013 to 2015, 2018 to 2020, 2023), underestimation of tax due (2014, 2016, 2020 and 2023), methodology of grossing up income taxes paid (2015 to 2017) and treatment of profit gas revenue and expenditure, shared workover costs, deferred revenue and bad debt write offs (2023).	20.5	19.6	40.1	39.3
Tax on repatriated income	2012-25	Applicability of withholding tax on repatriated income (2012 to 2025).	2.5	1.3	3.8	3.7
VAT	2012-23	VAT already paid (2012 to 2014), VAT on imported services (2015, 2016 and 2023); interest on VAT decreasing adjustments (2017), input VAT on services (2017 to 2020, 2023) and VAT on income tax and production taxes (2019 to 2023).	12.1	5.7	17.8	17.4
Withholding and other taxes	2023	Applicability of withholding tax on interest, leases, foreign services and royalties (2023)	0.2	0.1	0.3	0.2
			35.3	26.7	62.0	60.6

The table above provides a summary of the Company's tax contingencies that are outstanding with the Tanzanian tax authorities and have not been recognized.

During 2022, following the expiry of the statutory deadline for the Tanzania Revenue Authority (the "TRA") to respond to the Company's objections, the Company filed notices of intention to appeal to the Tanzania Revenue Appeals Board (the "TRAB") against the corporate income tax assessments for the years of 2012 to 2016, tax on repatriated income for the years of 2012 to 2014, and VAT for the years of 2015 to 2016. In May 2023, the TRA issued final corporate income tax assessments for the years of 2012 to 2016 agreeing to drop certain claims with respect to previously assessed corporate income tax for the years of income of 2012 and 2016. These claims are no longer represented in the table above. As of March 31, 2026, years of income of 2021, 2022, 2024 and 2025 remain open for audit.

On September 15, 2025, following completion of tax audits for the year of income of 2023, the TRA issued notices of assessments for the corporate income tax (\$7.8 million), tax on repatriated Income (\$0.1 million), VAT (\$5.2 million), withholding tax (\$1.0 million) and other taxes, including excise duty, employment tax and others (\$0.2 million) amounting to \$14.3 million. On October 15, 2025, after paying the agreed deposit in the amount of \$2.0 million, the Company filed notices of objections against the assessments. On March 31, 2026, the TRA issued determination letters decreasing the initially assessed amount \$14.3 million to \$11.2 million.

Corporate income tax

In 2024, the Company withdrew its application for the Court of Appeal of Tanzania (the "CAT") to review its judgment on the corporate income tax for the year of 2009 (\$1.9 million). The matter is now marked withdrawn. Parties will now negotiate on the implementation of the CAT's judgment of 2018 in favor of the TRA. At an earlier judgment, the TRAB, while ruled in favor of the TRA, also allowed the Company to utilize the depreciation allowance, which was the issue in dispute, in subsequent years. The Company has made provision in the accounts for the amount in dispute.

In Q2 2022, the Tax Revenue Appeals Tribunal (the "TRAT") pronounced its judgment on the corporate income tax appeal for 2010 (\$2.1 million) in favor of the TRA. The Company filed a notice of intention to appeal at the CAT. In Q3 2022, the Company filed a memorandum of appeal. The hearing took place on February 25, 2025 and was adjourned for a later date to allow parties to attempt an out-of-court settlement. In Q4 2025, the Company accepted a waiver of 40% of interest and penalties as a condition for an out-of-court settlement and paid a total of \$1.3 million in full settlement of the dispute. The amount was recovered from the TPDC profit share under the terms of the PSA. These claims are no longer represented in the table above.

In Q3 2023, the TRAT pronounced its judgment on the corporate income tax appeal for 2011 (\$1.5 million) in favor of the TRA. The Company filed a notice of intention to appeal at the CAT. In Q4 2023, the Company filed a memorandum of appeal. On February 24, 2025 and July 21, 2025, the Company approached the TRA with a proposal for an out-of-court settlement. In Q4 2025, the Company accepted a waiver of 40% of interest and penalties as a condition for an out-of-court settlement and paid \$0.1 million in full settlement of the dispute. The amount was recovered from the TPDC profit share under the terms of the PSA. These claims are no longer represented in the table above.

In Q1 2025 and in Q3 2025, the Company's appeals against the corporate income tax assessments for the years of 2012 and 2013 (\$12.6 million) were heard at the TRAB. On March 11, 2026, the TRAB delivered oral judgment in favor of the TRA. The Company subsequently filed notices of intention to appeal and the statement of appeal with the TRAT and is now awaiting a hearing date.

In Q2 2025, the Company's appeal against the corporate income tax assessment for the year of 2014 (\$5.7 million) was heard at the TRAB. On March 11, 2026, the TRAB delivered oral judgment in favor of the TRA. The Company subsequently filed notices of intention to appeal and the statement of appeal with the TRAT and is now awaiting a hearing date.

In Q3 2025, the Company's appeals against the corporate income tax assessments for the years of 2015 and 2016 (\$9.3 million) were heard at the TRAB. In Q1 2026, TRAB delivered oral judgment in favor of the TRA; the Company filed notices of intention to appeal and the statement of appeal with the TRAT and is now awaiting a hearing date.

In Q4 2022, the TRA issued six assessments for income tax and for ensuing interest on deemed delayed payments (\$0.6 million) for the years of 2018 to 2020. The Company objected to the assessments on the grounds of incorrect disallowance of expenses and use of exchange rates. In Q1 2023, the Company received the TRA's proposals to settle the objections. In Q2 2023, the Company responded to the proposals. In Q3 2023, following the TRA's failure to issue a final determination on the objections within the statutory time limit, the Company filed notices of intention to appeal and in Q4 2023, the Company filed statements of appeal at the TRAB. In Q1 2024, the appeals were heard at the TRAB. In Q1 2026, the TRAB delivered oral judgment in favor of the TRA. The Company has filed a notice of intention to appeal with the TRAT and is now awaiting the written judgment before proceeding with further steps.

Tax on repatriated income

In Q4 2023, during the TRAB hearing of the appeals against the notice of assessment for tax on repatriated income for the years of 2012 to 2013 (\$12.1 million), the TRA was allowed to file a preliminary objection. In Q1 2024, the parties filed their written submissions. In Q1 2025, the TRAB heard the appeals. In Q4 2025, the TRAB delivered oral judgment in favor of the TRA and on March 9, 2026 delivered written judgment. The Company filed notices of intention to appeal with the TRAT.

In Q2 2025, the TRAB heard the appeal against the notice of assessment for tax on repatriated income for the year of 2014 (\$4.2 million). In Q4 2025, the TRAB delivered an oral judgment in favor of the TRA and on March 9, 2026 delivered written judgment. The Company filed notices of intention to appeal with the TRAT.

In Q4 2022, the TRA issued seven assessments for tax on repatriated income (\$12.1 million) for the years of 2015 to 2021. The Company objected to the assessments on the grounds of the assessments lacking merit; additionally, the assessments for the years of 2015 and 2016 were time-barred. In Q1 2023, the Company received the TRA's proposals to settle the objections. In Q2 2023, the Company responded to the proposals. In Q3 2023, following the TRA's failure to issue a final determination on the objections within the statutory time limit, the Company filed notices of intention to appeal and in Q4 2023, the Company filed statements of appeal at the TRAB. In Q1 2024, the parties filed their respective final written submissions. In Q4 2025, the TRAB delivered oral judgment in favor of the TRA and on March 9, 2026 delivered written judgment. The Company filed notices of intention to appeal and the statement of appeal with the TRAT and is now awaiting a hearing date.

In Q4 2025, due to recent court decisions that could be viewed as setting precedents relevant to the Company's disputes on tax on repatriated income, the Company recorded an additional provision of approximately \$35.8 million for income tax on repatriated income, bringing the total provision to \$39.1 million covering the period 2012 to 2025. A further \$3.8 million remains as a contingent liability.

VAT

In Q4 2022, the TRA issued an assessment for VAT (\$0.1 million) for the years of 2019 and 2020. The Company objected to the assessment on the grounds that the TRA incorrectly disallowed input VAT on certain services. In Q1 2023, the Company received the TRA's proposals to settle the objections. In Q2 2023, the Company responded to the proposals. In Q3 2023, following the TRA's failure to issue a final determination on the objections within the statutory time limit, the Company filed notices of intention to appeal and in Q1 2024, the Company filed statements of appeal at the TRAB. In Q1 2024, the appeals came for a hearing at the TRAB. In Q1 2026, the TRAB delivered oral judgment allowing the appeal partially and dismissing the balance. The Company subsequently filed notices of intention to appeal and the statement of appeal with the TRAT and is now awaiting a hearing date. The Company recorded a provision of \$0.1 million.

On November 29, 2024, the TRA issued assessments for VAT (\$15.5 million) for the years of 2019 to 2023. The Company objected to the assessments on the ground that the TRA incorrectly imposed VAT on a contractual adjustment made to the TPDC's Profit Gas share and to the regulatory levy charged to customers. On April 15, 2025, the TRA issued a notice of intention to determine the objections. On May 17, 2025, the Company responded to the notice. On July 2, 2025, the TRA

delivered its determination of the objections. On July 21, 2025, the TRA issued final VAT assessments for the years of 2019 to 2023. On July 23, 2025, the Company filed notices of intention to appeal at the TRAB. In August 2025, the Company filed statements of appeal at the TRAB and is now awaiting a hearing date.

Management, with advice from its legal counsel, has reviewed the Company's position on the objections and appeals related to the disputed amounts and has concluded that no further provision is required. However, if the TRA assesses the Company's tax returns for open taxation years on a similar basis, the Company may be required to make future deposits to object such assessments.

The process of appealing assessments issued by the TRA starts by initially filing an appeal with the TRA. If this is not successful, claims can be taken to higher authorities starting with the TRAB, followed by an appeal to the TRAT and finally to the CAT.

Accounting Changes

There were no accounting changes in Q1 2026 (see "Accounting Changes" in the 2025 Annual MD&A for a summary of the accounting changes in 2025).

Quarterly Results Summary

	2026		2025				2024	
Figures in \$'000 except where otherwise stated	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	28,397	15,820	21,746	24,274	25,391	36,855	24,787	25,014
Net income/(loss) attributable to shareholders	3,468	(33,154)	19,475	22,401	102	(25,821)	2,086	1,888
Earnings/(loss) per share								
– basic and diluted (\$)	0.18	(1.67)	0.99	1.12	0.01	(1.31)	0.10	0.07
Net cash flows (used in) / from operating activities	(906)	51	32,294	31,948	20,264	6,254	10,255	16,747
Capital expenditures	(6)	845	182	44	548	14,869	9,354	1,912

Revenue decreased in Q3 2024 primarily as a result of a lower current income tax adjustment and the revenues from gas deliveries to Songas in August and September not meeting revenue recognition criteria under IFRS 15. Revenue increased in Q4 2024 as a result of a decrease of TPDC share of revenue and a higher current income tax adjustment, partially offset by a decrease in sales to the industrial sector. Revenue decreased in Q1 2025 as a result of an increase of TPDC share of revenue and a lower current income tax adjustment. Revenue decreased in Q2 2025 as a result of an increase of TPDC share of revenue, which was partially offset by a higher current income tax adjustment. Revenue decreased in Q3 2025 as a result of an increase of TPDC share of revenue. Revenue decreased in Q4 2025 as a result of a lower current income tax adjustment. Revenue increased in Q4 2025 and in Q1 2026 primarily as a result of higher deliveries and a higher income tax adjustment, which was partially offset by an increase of TPDC share of revenue.

Net income / (loss) attributable to shareholders was affected by several factors, other than changes in revenue, including:

- the increase in Q3 2024 was a result of lower G&A and finance expenses;
- the decrease in Q4 2024 was a result of recording of (i) asset impairment of \$25.9 million with respect to the SS-7 well workover program, and (ii) loss allowance of \$21.7 million with respect to ongoing litigation;
- the increase in Q1 2025 was a result of recording the asset impairment and the loss allowance in Q4 2024, which was partially offset by a lower deferred income tax recovery in Q1 2025;
- the increase in Q2 2025 was a result of the reversal of a \$22.0 million loss allowance following the collection of TANESCO long-term arrears pursuant to the Settlement Agreement;
- the decrease in Q3 2025 was a result of higher reversal of loss allowance in the previous quarter, partially offset by the recognition of \$15.5 million of interest income following the collection of TANESCO default interest pursuant to the Settlement Agreement;
- the decrease in Q4 2025 was a result of a higher income tax charge following a provision with respect to ongoing tax disputes; and
- the increase in Q1 2026 was a result of taking a series of loss allowances that the Company made in Q4 2025.

In addition to the factors impacting net income attributable to shareholders, net cash flows from operating activities were primarily affected by the timing and amount of payments received from TANESCO. The decreases in Q3 2024 and Q4 2024 were primarily a result of the increases in trade and other receivables. The increases in Q1, Q2, and Q3 2025 were primarily a result of the decreases in trade and other receivables. The decrease in Q4 2025 was primarily a result of the decreases in trade and other payables and the increases in trade and other receivables. The decrease in Q1 2026 was primarily a result of the decrease in current APT liability, which was partially offset by the increase in trade and other receivables.

Capital expenditures in Q2, Q3 and Q4 2024 were mainly related to well workover activities. Capital expenditures in Q1, Q2, Q3 and Q4 2025 and Q1 2026 were mainly related to flowlines replacement activities. Capital expenditures for Q1 2026 are presented net of credits received from a supplier previously involved in the workover program.

Non-GAAP Financial Measures and Ratios

In this MD&A, the Company has disclosed the following non-GAAP financial measures, non-GAAP ratios and supplementary financial measures: capital expenditures, operating netback, operating netback per mcf, working capital, net cash flows from operating activities per share and weighted average Class A and Class B Shares.

These non-GAAP financial measures and ratios disclosed in this MD&A do not have any standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other issuers. These non-GAAP financial measures and ratios should not, therefore, be considered in isolation or as a substitute for, or superior to, measures and ratios of Company's financial performance defined or determined in accordance with IFRS. These non-GAAP financial measures and ratios are calculated on a consistent basis from period to period.

Non-GAAP Financial Measures

Capital expenditures

Capital expenditures is a useful measure as it provides an indication of our investment activities. The most directly comparable financial measure is net cash used in investing activities. A reconciliation to the most directly comparable financial measure is as follows:

	Three Months ended March 31	
\$'000	2026	2025
Pipelines, well workovers and infrastructure	(6)	548
Capital expenditures	(6)	548
Change in non-cash working capital	349	7,102
Net cash used by investing activities	343	7,650

Operating netback

Operating netback is calculated as revenue less processing and transportation tariffs, TPDC's revenue share, and operating and distribution costs (see "Operating Netback" in this MD&A). The operating netback summarizes all costs that are associated with bringing the gas from the Songo Songo gas field to the market and is a measure of profitability. A reconciliation to the most directly comparable financial measure is as follows:

	Three Months ended March 31	
\$'000	2026	2025
Revenue	28,397	25,391
Production, distribution and transportation expenses	(4,938)	(4,203)
Net Production Revenue	23,459	21,188
Less current income tax adjustment (recorded in revenue)	(4,367)	(2,538)
Operating netback	19,092	18,650
Sales volumes MMcf	7,177	6,487
Netback \$/mcf	2.66	2.87

Non-GAAP Ratios

Operating netback per mcf

Operating netback per mcf represent the profit margin associated with the production and sale of Additional Gas and is calculated by taking the operating netback and dividing it by the volume of Additional Gas delivered and sold. This is a key measure as it demonstrates the profit generated from each unit of production.

Supplementary Financial Measures

Working capital

Working capital is defined as current assets less current liabilities, as reported in the Company's Condensed Consolidated Interim Statements of Financial Position (Unaudited). It is an important measure as it indicates the Company's ability to meet its financial obligations as they fall due.

Net cash flows from operating activities per share

Net cash flows from operating activities per share is calculated as net cash flows from operating activities divided by the weighted average number of shares, similar to the calculation of earnings per share. Net cash flow from operations is an important measure as it indicates the cash generated from the operations that is available to fund ongoing capital commitments.

Weighted average Class A and Class B Shares

In calculating the weighted average number of shares outstanding during any period, the Company takes the opening balance multiplied by the number of days until the balance changes. It then takes the new balance and multiplies that by the number of days until the next change, or until the period end. The resulting multiples of shares and days are then aggregated and the total is divided by the total number of days in the period.

Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reader is referred to the Company's December 31, 2025 audited consolidated financial statements for a description of estimates and judgments.

Business Risks

The Company operates internationally in the oil and gas industry and is exposed to various market, legal and operational risks. For a discussion of these risks, please see "Business Risks" in the 2025 Annual MD&A available on the Company's profile on SEDAR+ at www.sedarplus.ca or on the Company's website.

Principal Terms of the PSA and Related Agreements

For a discussion of the principal terms of the PSA and related agreements, please see "Principal Terms of the PSA and Related Agreements" in the 2025 Annual MD&A available on the Company's profile on SEDAR+ at www.sedarplus.ca or on the Company's website.

Forward Looking Information

This MD&A contains forward-looking statements or information (collectively, “forward-looking information”) within the meaning of applicable securities legislation. All information, other than information or statements of historical fact included in this MD&A, which address activities, events or developments that Orca expects or anticipates to occur in the future, is forward-looking information. Forward-looking information often contains terms such as may, will, should, anticipate, expect, continue, estimate, believe, project, forecast, plan, intend, target, outlook, focus, could and similar words suggesting future outcomes or statements regarding an outlook. More particularly, this MD&A contains, without limitation, forward-looking information pertaining to the following: the Company’s expectations regarding the demand for natural gas and power supply; merit, outcomes, position and timing in respect of the Notice of Dispute and RFAs; expectations regarding damages in relation to the Notice of Dispute and RFAs; merit, outcomes, position and timing in respect of Company’s proceedings against Swala and the Swala arbitration; expectations in relation to the Swala proceedings and arbitration; the Company’s expectation that all capital allocation decisions will be based upon prudent economic evaluations and returns; the extension of the Licence, the PSA, and related Project agreements and the Company’s expectation to continue to actively engage with the GoT to progress a Licence extension; the Company’s operations subsequent October 2026, when the Licence is set to expire; the impact on the Company of PAET staff joining TUICO and the implementation of the CBA; the estimated amount owed by the Company pursuant to the CBA; the ability of the Company to preserve cash and provide shareholder distributions; the anticipated outcomes, benefits, and results of the Transaction; the operations and actions of the Company following the closing of the Transaction; the expected closing of the Transaction and the satisfaction of the terms thereof; the terms of the Share Purchase Agreement; the consideration to be received by the Company and the other covenants, warranties, representations and obligations of the Purchasers pursuant to the Share Purchase Agreement; the Company’s expectation that PAET will receive payment in respect of Protected Gas supplied after July 31, 2024; maintenance of gas sale contract discipline by the Company in accordance with its gas supply agreements; expectations regarding customers’ ability to pay for supplied gas; continued accrual of participation interest in respect of the Loan until the specified date; forecasts regarding future development capital spending and the anticipated source of funding; the timing and effective rate of the APT payable by the Company; the Company’s expectation that there will be no future restrictions on the movement of cash from Jersey, Mauritius or Tanzania; availability of necessary regulatory approvals; the Company’s expectation that it will maintain adequate working capital to cover the Company’s long-term and short-term obligations; the Company’s expectation that it will be receiving payment for certain Additional Gas that as a result of the dispute between PAET and TPDC as to whether Protected Gas ceased after July 31, 2024, such that all gas produced falls to be treated as Additional Gas; the Company’s expectation that TPDC will continue to provide the Company access to the NNGI; the Company’s expectation that Songas will continue to provide the Company access to the Songas Infrastructure; expectation that forecasted Additional Gas will decrease; the concern that if the Protected Gas is not resolved, the Company will be required to reduce costs and ensure capital expenditure projects on the Songo Songo gas field are in line with contracts and economic returns; the expectations regarding future revenues of the Company; expectations as to the resolution of the Notice of Dispute and RFAs; the Company’s plans to provide updates on the Notice of Dispute and RFAs; expectations that Songas will pay the balance of the invoice in respect to Additional Gas; that the Company does not expect to incur any losses from debtors in 2026; the Company’s expectations that no circumstances will significantly impact the Company’s cash flow or liquidity other than disclosed in this MD&A, as applicable; the Company’s expectations that it will be able to convert Tanzanian shillings into US dollars and other hard currencies during and after the current foreign exchange deficiency; the Company’s expectations regarding supply and demand of natural gas; the Company’s expectation and evaluations on the timing and results of its objections and appeals to the decisions and assessments of the TRA, TRAB and CAT under “Contingencies – Taxation” in this MD&A; the Company’s view that all costs are correctly included in the cost pool and the Company’s expectations regarding changes to its tax liabilities and the results of its operations as a result of amendments made to the ITA, 2004, the WLMAA, 2017 and the implementation of further legislation. In addition, information relating to “reserves” are by their nature forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be produced profitably in the future. The recovery and reserve estimates of the Company’s reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in forward-looking information. Although management believes that the expectations reflected in the forward-looking information are reasonable, it cannot guarantee future results, levels of activity, access to resources and infrastructure, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies.

This forward-looking information involves 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 information made by the Company, including, but not limited to: risk that PAET will not receive payment or payment may form part of a contract dispute, in respect of uncontracted gas that continued to flow post August 1, 2024 to October 31, 2024; uncertainties involving the Notice of Dispute and RFAs; various uncertainties involved in the extension of the Licence; risk that meetings related to the Notice of Dispute and RFAs are not held on the anticipated timing; risk of decreased demand for production volumes from the Songo Songo gas field; negative effect on the Company’s rights under the PSA and other Project agreements relating to its business in Tanzania; fluctuations in demand for natural gas and power supply in Tanzania; the Company’s average gas sales including the sale of Additional Gas are different than anticipated; uncertainties involving the negotiation of new commercial terms under the Gas Agreement with Songas and necessary approvals from TPDC; risk that the Company may incur losses and legal expenses as a result of Notice of Dispute and RFAs; uncertainties regarding quantum of damages payable to the Company in respect of the Notice of Dispute and RFAs; risk relating to the Swala proceedings and arbitration and the costs and outcomes thereof; risk related to the Transaction including risk that the Company or Purchasers are unable to satisfy the conditions to closing; risk that the Company does not achieve the benefits of the Transaction; risk that closing of the Transaction may require concessions or other arrangements with TPDC or the GoT that are unacceptable to one or more parties to the Share Purchase Agreement; risk that the parties to the Share Purchase Agreement resolves to terminate the Share Purchase Agreement; uncertainties regarding PAET staff joining TUICO and the implementation of the CBA; risk that the budgeted expenditures, timing of the completion and anticipated benefits from the Company’s various development programs and studies in 2026 are different than expected; risk of damage to the Company’s infrastructure assets; that not all capital allocation decisions will be based upon prudent economic evaluations and returns; inability to extend the Licence and inability to maintain gas sale contract discipline; accrual of participation interest is different than expected; changes to the timing and effective rate of the APT payable by the Company; changes to forecasts regarding future development capital spending and source of capital spending; risk of future restrictions on the movement of cash from Jersey, Mauritius or Tanzania; occurrence of circumstance or events which significantly impact the Company’s cash flow and liquidity and the Company’s ability cover its long-term and short-term obligations; incurrence of losses from debtors in 2026; prolonged foreign exchange reserves deficiency in Tanzania; inability to convert Tanzanian shillings into US dollars or other hard currencies as and when required; discontinuation of work by the Company with the GoT on alternative development plan for longer term field development; failure to obtain necessary regulatory approvals; risks regarding the uncertainty around evolution of Tanzanian legislation; risk of unanticipated effects regarding changes to the Company’s tax liabilities and its operations as a result of amendments made to the ITA, 2004, the WLMAA, 2017, the implementation of further legislation and the Company’s interpretation of the same; risk of a lack of access to the Songas Infrastructure; risk that the Company may be unable to complete additional field development to support the Songo Songo production profile through the life of the Licence; risks associated with the Company’s ability to complete sale of Additional Gas; negative effect on the Company’s rights under the PSA and other Project agreements relating to its business in Tanzania as a result of recently enacted legislation, as well as the risk that such legislation will create additional costs and time connected with the Company’s business in Tanzania; risk relating to the Company’s relationship with the GoT; the impact of general economic conditions in the areas in which the Company operates; civil unrest; risk of pandemic; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations; impact of local content regulations and variances in the interpretation and enforcement of such regulations; impact of local content regulations and variances in the interpretation and enforcement of such regulations; uncertainty regarding results through negotiations and/or exercise of legally available remedies; failure to successfully negotiate agreements; risks of non-payment by recipients of natural gas supplied by the Company; lack of certainty with respect to foreign legal

systems, corruption, and other factors that are inconsistent with the rule of law; risk of loss due to acts of war, terrorism, sabotage and civil disturbances; timing of receipt of, or failure to comply with, necessary permits and approvals; and potential damage to the Company's reputation due to the actual or perceived occurrence of any number of events, including negative publicity with respect to the Company's dealings with the GoT, TPDC and TANESCO, whether true or not; increased competition; the lack of availability of qualified personnel or management; fluctuations in commodity prices, foreign exchange or interest rates; stock market volatility; competition for, among other things, capital, oil and gas field services and skilled personnel; failure to obtain required equipment or replacement parts for field development; effect of changes to the PSA and related Project agreements on the Company as a result of the implementation of new government policies for the oil and gas industry; inaccuracy in reserve estimates; incorrect forecasts in production and growth potential of the Company's assets; inability to obtain required approvals of regulatory authorities; risks associated with negotiating with foreign governments; failure to successfully negotiate agreements; failure to successfully negotiate the extension of the Licence on favorable terms; risk that the Company will not be able to fulfil its contractual obligations; risk that trade and other receivables may not be paid by the Company's customers when due; the risk that the Company's Tanzanian operations will not provide near term revenue earnings; risk that any costs in respect of the cost pool, are rejected as not being cost recoverable, and the Company being required to adjust its share of revenue for the period under dispute; and such additional risks listed under "Business Risks" in this MD&A. 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, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by this forward-looking information 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.

Future shareholder returns, including but not limited to the payment of dividends or other distributions to shareholders, if any, and the level thereof is uncertain. Any decision to pay further distributions on the Class A Shares and Class B Shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith) will be subject to the discretion of the Board of Directors of the Company and may depend on a variety of factors, including, without limitation the Company's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and compliance with applicable laws. There can be no assurance that the Company will pay any distributions in the future.

Such forward-looking information is 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: increased demand for gas supply; risk that any costs in respect of the cost pool, are rejected as not being cost recoverable, and the Company being required to adjust its share of revenue for the period under dispute; Company's average Additional Gas sales are in line with forecasts; successful negotiation and execution of new gas sales contracts under the Gas Agreement; successful negotiation of the Licence extension and related Project agreements, on terms favorable to the Company; that the outcomes, benefits, and results of the Transaction are in line with the Company's expectations; the ability of the Company and the Purchasers to satisfy the terms and conditions of the Share Purchase Agreement; that the Transaction will receive required Tanzanian regulatory and TSXV approvals; that the impact of PAET staff joining TUICO and the amounts payable pursuant to the CBA are in line with the Company's expectations; successful implementation of various development and study programs at the budgeted expenditures; accurate assessment by the Company of the merits of its claim under the Notice of Dispute and RFAs; that all capital allocation decisions will be based upon prudent economic evaluations and returns; successful extension of the Licence and maintenance of gas sale contract discipline on a go-forward basis pursuant to the Company's gas supply agreements; anticipated award amount payable under the Long Term Retention Plan; accrual of participation interest as expected; the Company's relationship with TPDC and the GoT; the current status of negotiations in respect of the Gas Agreement and PSA; the current status of actions involved in the Notice of Dispute and RFAs; accurate assessment by the Company of the merits of its rights and obligations in relation to the Project, TPDC, the GoT, and other stakeholders in the Songo Songo gas field; receipt of required regulatory approvals; the Company's ability to maintain strong commercial relationships with the GoT and other state and parastatal organizations and other stakeholders in the Project and the Songo Songo gas field; the current and future administration in Tanzania continues to honor the terms of the PSA and the Company's other principal agreements; correct forecast on the timing and effective rate of the APT payable by the Company; that there will continue to be no restrictions on the movement of cash from Mauritius, Jersey or Tanzania; 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 participation interest obligations as needed; the Company does not incur any losses from debtors in 2026; absence of circumstances or events that significant impact the Company's cash flow and liquidity; the Company will continue to be able to convert Tanzanian shillings into US dollars; long term field development will be carried out as planned; continued work by the Company with the GoT on alternative development plan for longer term field development as anticipated; timing and amount of capital expenditures and source of funding are in line with forecasts; the Company's ability to obtain necessary regulatory approvals; the anticipated supply and demand of natural gas are in line with the Company's expectations; that the amount of damages recoverable by the Company under the Notice of Dispute and RFAs will be in line with expectations; that the amount of damages recoverable by the Company will be in line with expectations; the Company's interpretation and prediction of the effects regarding changes to the Company's tax liabilities and its operations as a result of amendments made to the ITA, 2004, the WLMAA, 2017 and the implementation of further legislation is accurate in all material respects; the Company's ability to obtain revenue earnings from its operations; access to customers and suppliers; availability of employees to carry out day-to-day operations, and other resources; that the Company will successfully negotiate agreements; receipt of required regulatory approvals; the ability of the Company to increase production as required to meet demand; 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; availability of skilled labour; uninterrupted access to infrastructure; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; that the Company's appeal of various tax assessments will be successful; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; the effect of any new environmental and climate change related regulations will not negatively impact the Company; and other matters.

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

Oil and Gas Advisory

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6Mcf: 1 Bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. For certainty, all referenced herein to "production", "gross daily sales", "gas sales" and "Additional Gas sales" are references to conventional natural gas production, conventional natural gas daily sales, conventional natural gas sales and conventional natural gas sales, which are classified as Additional Gas in accordance with the PSA, respectively.

Additional Information

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

GLOSSARY

mcf	Thousand standard cubic feet
MMcf	Million standard cubic feet
Bcf	Billion standard cubic feet
MMcfd	Million standard cubic feet per day
MMbtu	Million British thermal units

1P	Proven reserves
2P	Proven and probable reserves
\$	United States dollars
CDN\$	Canadian dollars