NOTIFICATION OF CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the three-month period ended March 31, 2026.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

		Three Months ended March 31	
$'000	Note	2026	2025
Revenue	6, 7	**28,397**	25,391
Production, distribution and transportation		**4,938**	4,203
Net production revenue		**23,459**	21,188
Operating expenses			
General and administrative		**5,096**	4,443
Depletion	10	**7,810**	8,146
Finance income	8	**(509)**	(446)
Finance expense	8	**2,407**	4,454
Income before tax		**8,655**	4,591
Income tax expense – current		**3,096**	2,807
Income tax recovery – deferred		**(431)**	(718)
Additional Profits Tax		**2,522**	2,400
Net income attributable to shareholders		**3,468**	102
Foreign currency translation gain from foreign operations		**–**	–
Comprehensive income		**3,468**	102
Net income attributable to shareholders per share *($)*			
Basic and diluted	15	**0.18**	0.01

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

		As at	
$'000	Note	March 31, 2026	December 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents		**55,202**	86,986
Restricted cash		**24,717**	24,717
Trade and other receivables	9	**36,645**	30,077
Prepayments		**2,994**	3,026
		119,558	144,806
Non-current assets			
Deferred income taxes		**3,756**	3,325
Long-term receivables	12	**10**	10
Capital assets	10	**11,529**	19,450
		15,295	22,785
Total Assets		**134,853**	167,591
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other liabilities	11	**79,685**	77,507
Tax payable		**26,294**	24,198
Current portion of Additional Profits Tax		**5,634**	15,690
		111,613	117,395
Total Liabilities		**111,613**	117,395
SHAREHOLDERS' EQUITY			
Capital stock	14	**46,974**	46,974
Accumulated (loss) / income		**(23,734)**	3,222
		23,240	50,196
Total equity and liabilities		**134,853**	167,591

See accompanying notes to the condensed consolidated interim financial statements.

Nature of operations (Note 1); Contractual obligations (Note 17); Contingencies (Note 18).

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

		Three Months ended March 31	
$'000	Note	2026	2025
OPERATING ACTIVITIES			
Net Income		**3,468**	102
Adjustment for:			
Depletion and depreciation	10	**7,915**	8,282
Indirect tax	8	**–**	326
Deferred income taxes recovery		**(431)**	(718)
Additional Profits Tax		**2,522**	2,400
Unrealized loss on foreign exchange		**327**	647
Interest expense	8	**106**	1,540
Change in non-cash working capital	19	**(14,813)**	7,685
Net cash flows (used in) / from operating activities		**(906)**	20,264
INVESTING ACTIVITIES			
Capital expenditures	10	**(343)**	(7,650)
Net cash used in investing activities		**(343)**	(7,650)
FINANCING ACTIVITIES			
Lease payments		**(14)**	(15)
Normal course issuer bid	14	**–**	(16)
Long-term loan repayment	13	**–**	(30,551)
Interest paid	8	**–**	(776)
Dividends paid to shareholders	14	**(30,428)**	(1,415)
Net cash used in financing activities		**(30,442)**	(32,773)
Decrease in cash		**(31,691)**	(20,159)
Cash and cash equivalents at the beginning of the period		**111,703**	90,076
Effect of change in foreign exchange on cash for the period		**(93)**	266
Cash and cash equivalents at the end of the period (including restricted cash)		**79,919**	70,183
Restricted cash		**24,717**	–
Cash and cash equivalents at the end of the period		**55,202**	70,183

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

$'000	Capital Stock	Accumulated income	Total
Note	*14*	*14*	
Balance as at December 31, 2025	46,974	3,222	50,196
Share repurchase	–	–	–
Dividends declared	–	(30,424)	(30,424)
Net income	–	3,468	3,468
Balance as at March 31, 2026	**46,974**	**(23,734)**	**23,240**

$'000	Capital stock	Accumulated income	Total
Note	*14*	*14*	
Balance as at December 31, 2024	46,992	14,284	61,276
Share repurchase	(18)	2	(16)
Dividends declared	–	(1,405)	(1,405)
Net income	–	102	102
Balance as at March 31, 2025	46,974	12,983	59,957

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

General Information

Orca Energy Group Inc. was incorporated on April 28, 2004 under the laws of the British Virgin Islands with its registered office located at Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands, VG1110. The Company produces and sells natural gas to the power and industrial sectors in Tanzania. The Company maintains central management and control and has established tax residency in the United Kingdom.

The condensed consolidated interim financial statements of the Company as at March 31, 2026 and for the three months ended March 31, 2026 comprise the accounts of the Company and its subsidiaries (collectively, the "Company" or "Orca") and were authorized for issue in accordance with a resolution of the directors on June 5, 2026. The Company is controlled by Shaymar Limited who is the registered holder of 24.8% of the equity and controls 71.6% of the total votes of the Company. The shares are held in a trust that is independently managed for the beneficiaries.

1. Nature of Operations

The Company's principal operating asset is its indirect interest in the Songo Songo gas field (the "Project") held by a subsidiary, PanAfrican Energy Tanzania Limited ("PAET"), as set out in a Production Sharing Agreement ("PSA") with the Tanzania Petroleum Development Corporation ("TPDC") and the Government of Tanzania ("GoT") in the United Republic of Tanzania. This PSA covers the production and marketing of certain gas from the Songo Songo Block offshore Tanzania. The PSA defines gas in the Songo Songo field as "Protected Gas" and "Additional Gas". The gas agreement ("Gas Agreement") deals further with the parties' entitlements to Protected Gas and Additional Gas. Under the Gas Agreement, the "Protected Gas" was owned by TPDC and was sold to Songas Limited ("Songas") and Tanzania Portland Cement PLC ("TPCPLC"). Songas is the owner of the infrastructure that enables the gas to be delivered to Dar es Salaam, which includes a gas processing plant on Songo Songo Island ("Songas Infrastructure"). Protected Gas ceased after July 31, 2024 and all production from the Songo Songo gas field following August 1, 2024 constitutes Additional Gas which PAET is entitled to sell on commercial terms.

The Tanzanian Electric Supply Company Limited ("TANESCO") is responsible for the majority of electricity generation, transmission and distribution throughout Tanzania. TANESCO is a parastatal organization wholly owned by the GoT with oversight by the Ministry of Energy (the "MoE"). Natural gas has become an integral component of TANESCO's power generation 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 extended on July 30, 2024. The PGSA and the LTGSA expire on October 10, 2026.

In addition to supplying gas to TPDC 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.

On April 14, 2023, PAET formally requested TPDC to apply for an extension of the Songo Songo Development Licence (the "Licence"). In November 2024, TPDC submitted the application for the extension of the Licence to the MoE, however, being uneconomic, the Company informed TPDC that it did not agree with the terms as submitted. Having declined to address PAET's concerns itself, TPDC has advised PAET to raise any issues to the MoE, which results in the Company having to have the submission rescinded and resubmitted. Subsequently, in April 2026, the Ministry of Energy directed PAET to address any concerns directly to the Government Negotiating Team, which it did in May 2026. There are currently no certainties on the timing, nature and extent of any such extensions. Until such 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.

On April 15, 2024, contrary to the terms of the Gas Agreement and PSA and in violation of Pan African Energy Corporation (Mauritius) ("PAEM") and PAET's legitimate expectations, the Permanent Secretary of the Minister of Energy of Tanzania wrote to TPDC, copying PAET and Songas, directing TPDC to "ensure that Protected Gas continue to be produced to the end of the Development Licence on 10th October 2026". Consistent with that instruction, TPDC has taken the position that Protected Gas should continue despite the parties' contractual agreement that Protected Gas would end after July 31, 2024. We believe that PAET will be entitled to compensation at a commercial rate for all volumes of gas lifted by Songas from August 1, 2024 to October 31, 2024. There is a risk that PAET will not receive payment or payment may form part of a contract dispute.

On August 7, 2024, PAET and PAEM, issued the Notice of Dispute in respect of an investment treaty claim under the Agreement on Promotion and Reciprocal Protection of Investment between the Government of the Republic of Mauritius and the GoT (the "BIT") against the GoT for breach of the BIT, alongside notifying a contractual dispute against the GoT and TPDC for breaches of the PSA and 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 claims under the RFA's 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 two contractual proceedings were consolidated by agreement of the parties on December 17, 2025. On February 11, 2026, the arbitral tribunal in the contractual arbitration was constituted. On February 13, 2026, the arbitral tribunal in the treaty arbitration was constituted. The tribunals held the first procedural hearing in the consolidated proceedings under the GA and the PSA on May 7, 2026 and in the proceedings under the BIT on April 27, 2026, following which we expect procedural timetables to be issued in May 2026 and final hearings to be scheduled for 2028.

The Company cannot predict the outcome of proceedings relating to the Notice of Dispute with certainty, the costs associated with proceedings related to the Notice of Dispute, and possible awards of damages relating to the Notice of Dispute. Further the Company cannot predict if we are unsuccessful in the proceedings relating to the Notice of Dispute, the effect it will have on our business, and whether this will have a material adverse effect on the Company's business and operations. The Notice of Dispute proceedings could result in negative publicity and adversely affect the price of our Shares and relationships in Tanzania. In addition, the Notice of Dispute proceedings distract management and other personnel from their primary responsibilities.

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 favour of the International Finance Corporation (the "IFC") in respect of obligations of PAEM and PAET. Any party may terminate the Share Purchase Agreement for any reason.

2. Basis of Preparation

Statement of Compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", and do not include all information required for full annual financials and should be read in conjunction with the audited financial statements for the year ended December 31, 2025.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting. The condensed consolidated financial statements are presented in United States dollars ("$") unless otherwise stated.

Climate change regulations

Risks related to climate change may have an impact on the Company's operations and the Company may be subject to additional disclosure requirements in the future. The International Sustainability Standards Board issued an IFRS Sustainability Disclosure Standard with the objective to develop a global framework for environmental sustainability disclosure. In addition, the Canadian Securities Administrators also issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters which sets forth additional reporting requirements for Canadian reporting issuers. We continue to monitor developments on these reporting requirements and the impact they may have on the Company's financial position and results of operating activities in future periods.

3. Summary of Significant Accounting Policies

The Company's accounting policies are set forth in Note 3 to the audited consolidated financial statements for the year ended December 31, 2025. There have been no changes in accounting policies for the three month period ended March 31, 2026 and the policies have been applied consistently to all periods presented in the condensed consolidated interim financial statements.

4. Use of Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ materially from these estimates. In preparing these interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended December 31, 2025.

See Note 4 of the audited consolidated financial statements for the year ended December 31, 2025 for a full discussion.

5. Risk Management

The Company, by its activities in gas exploration, development and production, is exposed to the risk associated with the unpredictable nature of the financial markets as well as political risk associated with conducting operations in an emerging market. The Company seeks to manage its exposure to these risks wherever possible. See Note 5 of the audited consolidated financial statements for the year ended December 31, 2024 for a full discussion, in addition to the following:

A. Key Business Risks

Outcome of the Notice of Dispute

On August 7, 2024, PAET and PAEM, issued the Notice of Dispute in respect of an investment treaty claim under the BIT against the GoT for breach of the BIT, alongside notifying a contractual dispute against the GoT and TPDC for breaches of the PSA and 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 claims under the RFA's 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 two contractual proceedings were consolidated by agreement of the parties on December 17, 2025. On February 11, 2026, the arbitral tribunal in the contractual arbitration was constituted. On February 13, 2026, the arbitral tribunal in the treaty arbitration was constituted. The tribunals held the first procedural hearing in the consolidated proceedings under the GA and the PSA on May 7, 2026 and in the proceedings under the BIT on April 27, 2026, following which we expect procedural timetables to be issued in May 2026 and final hearings to be scheduled for 2028.

The Company cannot predict the outcome of proceedings relating to the Notice of Dispute with certainty, the costs associated with proceedings related to the Notice of Dispute, and possible awards of damages relating to the Notice of Dispute. Further the Company cannot predict if we are unsuccessful in the proceedings relating to the Notice of Dispute, the effect it will have on our business, and whether this will have a material adverse effect on the Company's business and operations. The Notice of Dispute proceedings could result in negative publicity and adversely affect the price of our Shares and relationships in Tanzania. In addition, the Notice of Dispute proceedings distract management and other personnel from their primary responsibilities.

There is a risk of a continuing action relating to the Notice of Dispute post October 2026, the current date on which the Licence will expire.

B. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from TANESCO and TPDC. The carrying amount of accounts receivable and the long-term receivable represents the maximum credit exposure.

The Company manages the credit exposure related to cash and cash equivalents by selecting counterparties based on credit ratings and monitoring all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset backed commercial paper. The Company's cash resources are placed with reputable financial institutions with no history of default.

During Q3 and Q4 2024, the Company invoiced Songas $9.6 million (including VAT and production taxes) for August, September and October 2024 liftings of Additional Gas volumes. On September 23, 2024, the Company was notified by Songas that it acknowledges it had lifted this volume, but due to TPDC's refusal to approve a Gas Sales Agreement for this Additional Gas, they would elect to pay only 19.5% of such volumes. The Company recognized the payment of $1.9 million, being 19.5% of the August, September and October 2024 sales to Songas in revenue; these amounts were paid by Songas in Q4 2024. As of the date of this report, $7.7 million of August, September and October 2024 sales representing 80.5% of delivered volumes remain unrecognized. There is a risk that PAET will not receive compensation for the volumes, which were lifted after August 1, 2024 and which, notwithstanding the contractual termination of Protected Gas, TPDC asserts should be treated as Protected Gas.

C. Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its liabilities. Cash forecasts identifying liquidity requirements of the Company are produced on a regular basis. These are reviewed to ensure sufficient funds exist to finance the Company's current operational and investment cash flow requirements. At March 31, 2026 the Company has working capital, defined as total current assets less total current liabilities, of $7.9 million which is net of $111.6 million of financial liabilities with regards to trade and other liabilities of which $79.7 million is due within one to three months, $ nil is due within three to six months, and $31.9 million is due within six to twelve months (see Note 11).

As at March 31, 2026 approximately 29% of the current liabilities relate to TPDC (see Note 11). The amounts due to TPDC represent its share of Profit Gas. In accordance with the terms of the PSA, TPDC is entitled to the payment of its share of Profit Gas on a quarterly basis proportional to the cash receipts during the quarter.

Tourism is a major source of revenue and foreign currency for Tanzania and the recent decrease in travel combined with global economic slowdown have seen an increasing decline in foreign exchange reserves in Tanzania. During 2025, it has been more difficult for the Company to convert Tanzanian shillings directly to US dollars in country, however, as at the date of this report, this has not significantly impacted PAET's ability to meet its US dollar liabilities or obligations. There is a risk that in the future the Company may not be able to convert Tanzanian shillings to US dollars or other hard currencies as and when required to attract capital. It is unknown how long this risk will continue.

There is a risk that PAET will not receive compensation for the volumes, which were lifted by Songas in August, September and October 2024, and which, notwithstanding the contractual termination of Protected Gas, TPDC asserts should be treated as Protected Gas. These volumes have not been and will not be reflected as revenue going forward until the potential dispute is resolved. There were no volumes lifted by Songas after October 2024.

There is a risk that in October 2026 the Licence will expire, if an extension is not obtained. If a Licence extension is not forthcoming, various litigation matters may survive the expiry date. Additionally, although the Company believes in the merits of their judgements with respects to disputed costs, and income tax matters as described in note 21, if unsuccessful, there is a risk of not being able to cost recover disputed items or recover corporate income tax via the tax adjustment. These matters may impact the Company's liquidity.

6. Segment Information

The Company has one reportable industry segment which is international exploration, development and production of petroleum and natural gas. During Q1 2026 and 2025 the Company's producing assets were entirely located in Tanzania, with all of the Company's gas revenue derived solely from customers in Tanzania.

Included in Q1 2026 revenues arising from Tanzania, are revenues of $13.8 million, $7.3 million and $5.5 million which arose from the Company's three largest customers (Q1 2025: $11.6 million, $7.0 million and $4.9 million), who each contributed more than 10% to the Company's Q1 2026 gross field revenue (see Note 7). The largest two customers in Q1 2026 and 2025 are parastatal companies controlled by the Government of Tanzania.

7. Revenue

	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.

The Company recognized 100% of all gas deliveries to TANESCO as revenue during Q1 2026 and Q1 2025. The Company invoiced TANESCO $17.3 million for gas deliveries (Q1 2025: $14.4 million) and received $13.3 million in payments during Q1 2026 (Q1 2025: $14.6 million). These amounts are inclusive of value added tax ("VAT"). 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.

8. Finance Income and Expense

Finance Income

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

Finance Expense

$'000	Three Months ended March 31 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 (see Note 13).

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.

9. Current Trade and Other Receivables

$'000	As at March 31, 2026	December 31, 2025
Trade receivables		
TPCPLC	**2,292**	2,979
TPDC	**5,841**	6,395
TANESCO	**11,132**	7,152
Industrial customers	**10,135**	6,546
	29,400	23,072
Other receivables		
Songas gas plant operations	**2,233**	2,297
Other	**5,722**	5,418
Loss allowance	**(710)**	(710)
	7,245	7,005
	36,645	30,077

Songas

As at March 31, 2026 Songas owed the Company $2.2 million (December 31, 2025: $2.3 million), while the Company owed Songas $2.9 million (December 31, 2025: $2.8 million). The amounts due to the Company are for the operation of the gas plant of $2.2 million (December 31, 2025: $2.3 million) against which the Company has made a loss allowance of $0.7 million (December 31, 2025: $0.7 million). The amounts due to Songas primarily relate to pipeline tariff charges of $2.3 million (December 31, 2025: $2.2 million). The operation of the gas plant is conducted at cost and the charges are billed to Songas on a flow through basis.

During Q3 and Q4 2024, the Company invoiced Songas $9.6 million (including VAT and production taxes) for August, September and October 2024 liftings of Additional Gas volumes. On September 23, 2024, the Company was notified by Songas that it acknowledges it had lifted this volume, but due to TPDC's refusal to approve a Gas Sales Agreement for this Additional Gas, they would elect to pay only 19.5% of such volumes. The Company recognized the payment of $1.9 million, being 19.5% of the August, September and October 2024 sales to Songas in revenue; these amounts were paid by Songas in Q4 2024. As of the date of this report, $7.7 million of August, September and October 2024 sales representing 80.5% of delivered volumes remain unrecognized.

TPDC

The current receivable from TPDC is for gas deliveries through the National Natural Gas Infrastructure pursuant to the signing of the LTGSA. In accordance with the LTGSA, any unpaid, overdue amounts are offset against TPDC profit share.

10. Capital Assets

$'000	Natural gas interests	Office and other	Right-of-use	Total
Costs				
As at December 31, 2025	299,821	3,269	2,044	305,134
Additions	(6)	–	–	(6)
As at March 31, 2026	**299,815**	**3,269**	**2,044**	**305,128**
Accumulated depletion and depreciation				
As at December 31, 2025	280,801	3,099	1,784	285,684
Additions	7,810	28	77	7,915
As at March 31, 2026	**288,611**	**3,127**	**1,861**	**293,599**
Net book values				
As at March 31, 2026	**11,204**	**142**	**183**	**11,529**

In determining the depletion charge the Company takes into account an estimate of future development costs, the capital expenditure required to ensure the Company can produce the required gas volumes to meet its contractual obligations for the remaining life of the Licence. As at March 31, 2026, the estimated future development costs required to bring the total proved reserves to production were $ nil (December 31, 2025: $ nil). In Q1 2026 the Company recorded depreciation of $0.1 million (Q1 2025: $0.1 million) in general and administrative expenses.

Right-of-use assets

$'000	
As at December 31, 2025	260
Depreciation	(77)
As at March 31, 2026	**183**

Lease liabilities

$'000	
As at December 31, 2025	159
Lease interest expense	3
Lease payments	(14)
As at March 31, 2026	**148**

Right-of-use assets are presented as part of capital assets on the Company's balance sheet. Of the total lease liability of $0.1 million (December 31, 2025: $0.2 million), $0.1 million (December 31, 2025: $0.2 million) is current and is presented in trade and other liabilities.

11. Trade and Other Liabilities

$'000	As at March 31, 2026	 December 31, 2025
Songas	**2,877**	2,798
Other trade payables	**1,164**	1,877
Trade payables	**4,041**	4,675
TPDC Profit Gas entitlement, net	**32,606**	28,590
Accrued liabilities	**43,038**	44,242
	79,685	77,507

TPDC share of Profit Gas

$'000	As at March 31, 2026	 December 31, 2025
TPDC share of Profit Gas	**25,278**	17,896
Add "Adjustment Factor"	**7,328**	10,694
TPDC share of Profit Gas entitlement	**32,606**	28,590

Under the PSA revenue sharing mechanism, the Company adjusts TPDC's Profit Gas share by the Adjustment Factor. The Adjustment Factor is equal to the amount necessary to fully pay and discharge the PAET liability for taxes on income derived from petroleum operations. This Adjustment Factor is then net of the income tax payments made. Beyond payments of $3.7 million and $6.3 million made to TPDC in March 2026 and April 2026, respectively, a substantial amount of the remaining balance 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 Ubungo and amounts on hold pending TRA's acceptance of the 2025 PAET tax return. This balance will only be paid or cleared once these historic differences with TPDC have been resolved.

12. Long-term Receivables

$'000	As at March 31, 2026	 December 31, 2025
Amounts invoiced to TANESCO	**11,132**	7,152
Current trade receivables – TANESCO	**(11,132)**	(7,152)
Net TANESCO receivable	**–**	–
Lease deposit	**10**	10
	10	10

The Company recognized 100% of amounts invoiced for deliveries to TANESCO as revenue during 2025 and Q1 2026.

On April 15, 2025 PAET signed the Settlement Agreement with TPDC and TANESCO, for TANESCO to pay PAET $52.0 million for unpaid amounts owing by TANESCO for deliveries of natural gas from the Songo Songo gas field. The parties acknowledged in the Settlement Agreement that these unpaid amounts totalled $104.2 million as of January 9, 2025, comprised of $33.7 million of the principal amount owing and approximately $70.5 million of default interest.

The Settlement Agreement required TANESCO to pay the Tanzanian Shilling equivalent of $52.0 million, comprised of the $33.7 million principal amount and $18.3 million representing a portion of the default interest owed by TANESCO. It was agreed that the remaining balance of the default interest owing by TANESCO would be waived if TANESCO paid the settlement amount when required and in full while remaining current on amounts owed. As at December 31, 2025, TANESCO has paid the full $52.0 million due under the Settlement Agreement and the Company has duly waived the remaining balance of the default interest owing by TANESCO. Payments on account of the settlement amount have been allocated between PAET and TPDC in accordance with the PSA. Pursuant to the PSA, the Company has retained approximately $35.4 million of the settlement amount with TPDC receiving the balance.

13. Long-term Loan

In 2015 PAET took out a $60.0 million investment loan (the "Loan") from International Finance Corporation ("IFC"), a member of the World Bank Group, pursuant to a loan agreement dated October 29, 2015 between IFC, PAET and the Company (the "Loan Agreement"). 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 initial payment of $25.2 million due on October 15, 2025. The Loan was an unsecured subordinated obligation of PAET. Pursuant to the sale of the non-controlling interest in PAEM, the parent company of PAET, in 2018, the Company agreed with the IFC to reduce the outstanding amount of the Loan by the percentage interest sold of 7.933% ($4.8 million) before the fourth anniversary of the first drawdown. PAET made this payment on October 16, 2019. Dividends and distributions from PAET were restricted if at any time amounts of interest, principal or participating interest are due and outstanding. All amounts due under the Loan were paid when due.

On February 21, 2025, the Company fully repaid the Loan due to IFC by 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.

14. Capital Stock

Authorised

50,000,000	Class A common shares ("Class A Shares")	No par value
100,000,000	Class B subordinate voting shares ("Class B Shares")	No par value
100,000,000	First preference shares	No par value

The Class A and Class B Shares rank pari passu in respect of dividends and repayment of capital in the event of winding-up. Class A Shares carry twenty (20) votes per share and Class B Shares carry one (1) vote per share. The Class A Shares are convertible at the option of the holder at any time into Class B Shares on a one-for-one basis. The Class B Shares are convertible into Class A Shares on a one-for-one basis in the event that a take-over bid is made to purchase Class A Shares which must, by reason of a stock exchange or legal requirements, be made to all or substantially all of the holders of Class A Shares and which is not concurrently made to holders of Class B Shares.

Changes in the capital stock

	As at					
	March 31, 2026			December 31, 2025		
Number of shares	Authorised (000)	Issued (000)	Amount ($'000)	Authorised (000)	Issued (000)	Amount ($'000
Class A Shares	**50,000**	**1,750**	**983**	50,000	1,750	983
Class B Shares	**100,000**	**18,015**	**45,991**	100,000	18,015	45,991
First preference shares	**100,000**	**–**	**–**	100,000	–	–
	250,000	**19,765**	**46,974**	250,000	19,765	46,974

On November 15, 2024 the Company announced a normal course issuer bid ("2024 NCIB") to commence on November 18, 2024 to purchase Class B Shares through the facilities of the TSX Venture Exchange and alternative trading systems in Canada. As at December 31, 2025 the Company has repurchased for cancellation 7,100 Class B Shares at a weighted average price of CDN$3.17 pursuant to the 2024 NCIB. All issued capital stock is fully paid.

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

15. Earnings Per Share

	Three Months ended March 31	
(000)	**2026**	2025
Outstanding shares		
Weighted average number of Class A and Class B Shares	**19,765**	19,766
Weighted average diluted number of Class A and Class B Shares	**19,765**	19,766

The calculation of earnings per share is based on a net income attributable to shareholders for the quarter of $3.5 million (Q1 2025: $0.1 million) and a weighted average number of Class A Shares and Class B Shares outstanding during the quarter ended March 31, 2026 of 19,764,909 (Q1 2025: 19,766,261).

16. 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. During the quarter ended March 31, 2026, fees for services provided by this firm totalled $0.1 million (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.

17. Contractual Obligations

Protected Gas

Under the terms of the Gas Agreement for the Songo Songo project, in the event that there was an insufficiency in Protected Gas as a consequence of the sale of Additional Gas, the Company is liable to pay the difference between the price of Protected Gas ($0.55/MMbtu escalated) and the price of an alternative feedstock in respect of whichever is the lesser of either (i) of the volume of Additional Gas sold which was 380 Bcf as at March 31, 2026 (December 31, 2025: 373 Bcf) or (ii) the insufficiency volume. The Company had been managing its reserves and did not have a shortfall during the reporting period up to and including the end of the Protected Gas delivery obligation, which ceased after July 31, 2024.

Terms of the Gas Agreement were modified by the Amended and Restated Gas Agreement (the "ARGA") which was initialled by all parties but remains unsigned. In certain respects, the parties thereto are conducting themselves as though the ARGA is in effect. Management does not foresee a material risk with the conduct of the Company's business with the unsigned ARGA at this time.

On April 15, 2024, contrary to the terms of the Gas Agreement and PSA and in violation of PAEM and PAET's legitimate expectations, the Permanent Secretary of the MoE wrote to TPDC, copying PAET and Songas, directing TPDC to "ensure that Protected Gas continue to be produced to the end of the Development Licence on 10th October 2026". Consistent with that instruction, TPDC has taken the position that Protected Gas should continue despite the parties' contractual agreement that Protected Gas would cease after July 31, 2024. It is our belief that PAET is entitled to payment at a commercial rate for all volumes of gas lifted by Songas and TPCPLC starting on August 1, 2024. Gas has continued to be lifted following August 1, 2024. In Q1 2025, PAET, TPDC and TPCPLC agreed the terms of the Supplementary Gas Agreement to sell volumes as Additional Gas, which, prior to August 1, 2024, were supplied as Protected Gas. In Q1 2025, TPCPLC fully paid the Company $10.4 million of the receivable previously outstanding as at December 31, 2024.

On August 7, 2024, PAET and PAEM, issued the Notice of Dispute in respect of an investment treaty claim under the BIT against the GoT for breach of the BIT, alongside notifying a contractual dispute against the GoT and TPDC for breaches of the PSA and 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 ICSID for breach of the PSA and GA respectively and PAEM issued arbitration proceedings against the GoT for breach of the BIT. The claims under the RFA's 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 two contractual proceedings were consolidated by agreement of the parties on December 17, 2025. On February 11, 2026, the arbitral tribunal in the contractual arbitration was constituted. On February 13, 2026, the arbitral tribunal in the treaty arbitration was constituted. The tribunals held the first procedural hearing in the consolidated proceedings under the GA and the PSA on May 7, 2026 and in the proceedings under the BIT on April 27, 2026, following which we expect procedural timetables to be issued in May 2026 and final hearings to be scheduled for 2028.

The Company cannot predict the outcome of proceedings relating to the Notice of Dispute with certainty, the costs associated with proceedings related to the Notice of Dispute, and possible awards of damages relating to the Notice of Dispute. Further the Company cannot predict if we are unsuccessful in the proceedings relating to the Notice of Dispute, the effect it will have on our business, and whether this will have a material adverse effect on the Company's business and operations. The Notice of Dispute proceedings could result in negative publicity and adversely affect the price of our Shares and relationships in Tanzania. In addition, the Notice of Dispute proceedings distract management and other personnel from their primary responsibilities.

There is a risk of a continuing action relating to the Notice of Dispute post October 2026, the current date on which the Licence will expire.

18. Contingencies

Upstream and Downstream Activities

The Petroleum Act, 2015 (the "Petroleum Act") provides TPDC with exclusive rights over the distribution of gas in Tanzania. The Petroleum Act has grandfathering provisions upholding the rights of the Company to develop and market natural gas produced under the PSA as it was signed prior to the Petroleum Act coming into effect in 2015.

On October 7, 2016 the Government of Tanzania issued the Petroleum (Natural Gas Pricing) Regulation made under Sections 165 and 258 (I) of the Petroleum Act. Article 260 (3) of the Petroleum Act preserves the Company's pre-existing right with TPDC to market and sell Additional Gas together or independently on terms and conditions (including prices) negotiated with third party natural gas customers. To date there has been no impact on the Company as a result of the Natural Gas Pricing Regulation, however, any future impact cannot be determined at this time.

Cost Recovery

TPDC conducted an audit of historical costs (the "Cost Pool") and in 2011 objected approximately $34.0 million of costs that had been recovered from the Cost Pool from 2002 through to 2009. In 2014 a portion of the objected costs were agreed to be cost recoverable from TPDC with $25.4 million remaining as being objected. Under the dispute mechanism outlined in the PSA, parties are to agree the appointment of an independent specialist to assist the parties in reaching agreement on costs that are still subject to queries. In 2014, prior to appointing an independent specialist, TPDC suspended the process. From 2010 to 2015 TPDC rejected a further $16.8 million of costs. In 2016 the Tanzanian Petroleum Upstream Regulatory Authority ("PURA") assumed the role of auditing the PSA Cost Pool from TPDC and for 2016 to 2020 have rejected all costs pertaining to downstream development amounting to $15.0 million and a further $9.5 million of other costs. In 2022 the Company and PURA negotiated a settlement on certain rejections with respect to 2016 to 2018 audits. As a result of this, $2.7 million was credited to the Cost Pool in Q2 2022. In 2023 the Company and PURA negotiated a settlement on certain rejections with respect to 2019 to 2020 audits. As a result of this, $0.7 million was credited to the Cost Pool in Q2 2023. In Q4 2023, the Company credited to the Cost Pool an additional $0.03 million with respect to 2021 audit. In Q4 2024, the Company further credited to the Cost Pool an additional $0.26 million with respect to 2021 audit. In 2025, the Company credited to the Cost Pool $0.03 million with respect to 2022, 2023 and 2024 audits. To date there remains a total of $101.0 million (December 31, 2025: $101.0 million) of costs that have been queried or rejected by TPDC or PURA through the Cost Pool audit process.

During 2019, discussions on the disputed amounts briefly resumed with TPDC. At the time of writing this report no independent specialist has been appointed and neither TPDC nor PURA have issued a formal dispute regarding cost recovery. The Company's view is that all costs have been correctly included in the Cost Pool, however should any of the costs be rejected as not being cost recoverable, the Company would be required to retroactively adjust its share of revenue for the period under dispute.

Taxation

Amounts in $' millions					As at March 31, 2026	As at 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 royalites (2023)	0.2	0.1	**0.3**	0.2
			35.3	26.7	**62.0**	60.6

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 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 tax on repatriated income, bringing the total provision to $39.1 million covering the period 2012 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.

See Note 21 of the audited consolidated financial statements for the year ended December 31, 2025 for a full discussion.

19. Change in Non-Cash Operating Working Capital

	Three Months ended March 31	
$'000	2026	2025
(Increase) / decrease in trade and other receivables	**(6,714)**	6,272
Decrease in prepayments	**32**	467
Increase in trade and other payables	**2,351**	7,463
Decrease in APT	**(12,578)**	(7,824)
Increase in tax payable	**2,096**	1,307
	(14,813)	7,685

20. Subsequent Events

On April 10, 2026 Orca, PAEM and PAET filed Request for Arbitration under the LCIA Arbitration Rules (2020) pursuant to Clause 2.6 of the Settlement Deed entered into on February 26, 2026 by Orca, PAEM, PAET and Swala Oil and Gas (Tanzania) plc (in liquidation) ("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 Share Sale Agreement.

On April 13, 2026, Orca announced that it had entered into the Share Purchase Agreement for the Transaction with the Purchaser, pursuant to which Orca will sell all of the outstanding shares of PAEM. 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 $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 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. On May 27, 2026, the Company declared a dividend of CDN$0.10 per share on each of its Class A Shares and Class B Shares to holders of record as of June 30, 2026. The dividend will be paid on July 15, 2026.

CORPORATE INFORMATION

Board of Directors

Jay Lyons
Executive Director and
Chief Executive Officer
Vancouver, Canada

Lisa Mitchell
Executive Director and
Chief Financial Officer
London, UK

David W. Ross
Chairman and Non-Executive Director
Calgary, Canada

Dr Ann Frances Léautier
Non-Executive Director
Washington DC, United States

Linda Beal
Non-Executive
Director London, UK

Advisor to the Board and PAET

Lloyd Herrick
Director, PAET
Calgary, Canada

Officers

Jay Lyons
Chief Executive Officer
Vancouver, Canada

Lisa Mitchell
Chief Financial Officer
London, UK

Andrew Hanna
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