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FOR IMMEDIATE RELEASE

Orca Exploration Announces Completion of its Q3 2018 Interim Filings

TORTOLA, British Virgin Islands November 13, 2018: Orca Exploration Group Inc. ("Orca" or the "Company") announces that it has filed its condensed consolidated interim financial statements and management's discussion and analysis for the three and nine month periods ended September 30, 2018 with the Canadian securities regulatory authorities.

Q3 2018 Financial and Operating Highlights

(all amounts are in United States Dollars ("\$\$") unless otherwise indicated)

- Revenue for the quarter decreased by 1% to \$15.1 million from \$15.3 million in Q3 2017 and decreased 12% to \$44.3 million over the nine months ended September 30, 2018 compared to \$50.2 million for the comparable prior year period. The decrease for the quarter and year-to-date is a result of lower power sales volumes and lower Cost Gas allocations which resulted in an increase in Profit Gas allocations to the Tanzanian Petroleum Development Corporation ("TPDC") and a lower current income tax adjustment. Additional Gas deliveries and sales for the quarter averaged 43.6 million standard cubic feet per day ("MMcfd") a decrease of 3% over 45.1 MMcfd in Q3 2017 and decreased 10% to 38.3 MMcfd for the nine months ended September 30, 2018 compared to 42.7 MMcfd for the comparable prior year period. The decrease in Additional Gas volumes for the quarter is a result of a decrease in industrial volumes due to maintenance at a cement plant. The decrease in Additional Gas volumes for the nine months ended September 30, 2018 to the comparable prior year period is primarily a result of reduced consumption of natural gas volumes by the Tanzanian Electric Supply Company ("TANESCO"). The decrease in volumes having been partially offset by a 17% rise in the weighted average price for the quarter to \$5.12/mcf from \$4.38/mcf in Q3 2017 and an 8% rise to \$5.21/mcf for the nine months ended September 30, 2018 from \$4.82/mcf for the comparable prior year period. The increase in price is a result of the change in sales mix and the increase in price of Heavy Fuel Oil ("HFO") during the last quarter.
- The Company had a net income attributable to shareholders of \$2.6 million for the quarter (\$0.07 per share diluted) compared to a \$0.03 million loss in Q3 2017 (\$ nil loss per share diluted) and \$10.5 million net income attributable to shareholders (\$0.30 per share diluted) for the nine months ended September 30, 2018 compared to \$2.2 million (\$0.06 per share diluted) for the comparable prior year period. The increase in net income for the quarter was a combination of the reversal of the provision for doubtful accounts of \$1.4 million related to the collection of TANESCO arrears previously provided for and cost savings primarily in relation to general administrative expenses. The increase in net income for the nine months ended September 30, 2018 was primarily a result of the increase in finance income as a result of the reversal of the provision for doubtful accounts of \$14.9 million related to the collection of TANESCO arrears previously provided for being offset by increased stock based compensation costs and increased interest expense.
- Net cash flows from operating activities for the quarter decreased by 27% to \$10.5 million (\$0.30 per share diluted) in the quarter compared to \$14.4 million (\$0.41 per share diluted) in Q3 2017 and decreased by 30% for the nine months ended September 30, 2018 to \$24.7 million (\$0.70 per share diluted) from \$35.3 million (\$1.01 per share diluted) for the comparable prior year period. The decrease for the quarter is primarily the result of the collections from TANESCO being offset by payments to creditors. The decrease for the nine months ended September 30, 2018 from the comparable prior year period is primarily a result of the payments for stock based compensation.

- Funds flow from operations ⁽¹⁾ for the quarter increased by 7% to \$4.5 million (\$0.13 per share diluted) from \$4.2 million (\$0.12 per share diluted) in Q3 2017 and decreased 87% for the nine months ended September 30, 2018 to \$1.9 million (\$0.05 per share diluted) from \$14.8 million (\$0.42 per share diluted) for the nine months ended September 30, 2017. The decrease for the nine months ended September 30, 2017 from the comparable prior year period is primarily due to the lower net cash flows from operating activities combined with an increase in interest expense.
- Total capital expenditures for the quarter were \$1.4 million compared to \$0.6 million in Q3 2017 and \$3.2 million for the nine months ended September 30, 2018 compared to \$1.1 million for the comparable prior year period (excluding transfers of workover costs into the Cost Pool that were incurred in 2015). The capital expenditure in the quarter and first nine months ended September 30, 2018 relate primarily to costs for the installation of a refrigeration unit.
- Working capital increased 15% to \$80.0 million as at September 30, 2018 compared to \$69.6 million as at December 31, 2017. The increase is primarily due to the cumulative cash collections from TANESCO for current deliveries and arrears offset by an increase in stock based compensation during the period. The closing cash at September 30, 2018 was \$61.4 million (December 31, 2017: \$122.3 million). The decrease in cash is primarily a result of the investment in short and long-term bonds of \$70.4 million at September 30, 2018 (December 31, 2017: \$ nil) of which \$3.8 million matures in October 2019 and has been classified as non-current assets.
- At September 30, 2018 the current receivable from TANESCO was \$ nil (December 31, 2017: \$ nil). During the quarter the amounts received from TANESCO continued to be in excess of the revenue recognized for gas sales to TANESCO. As a result, an additional \$1.4 million of excess receipts over sales invoiced during the quarter has been allocated to the long-term arrears together with the associated reversal of the provision for doubtful accounts. During Q2 2018 \$13.4 million of cumulative excess receipts over sales invoiced since Q3 2017 was allocated to the long-term arrears together with the associated reversal of the provision for doubtful accounts. The TANESCO long-term trade receivable at September 30, 2018 was \$59.5 million with a provision of \$ 59.5 million compared to \$74.4 million (with a provision of \$74.4 million) at December 31, 2017. Subsequent to September 30, 2018 the Company has invoiced TANESCO \$3.6 million for 2018 gas deliveries and TANESCO has paid the Company \$4.4 million.
- On June 18, 2018 the Company received the preference share consideration of \$4.0 million relating to the sale of 7.933% (7,933 Class A common shares) of its subsidiary, PAE PanAfrican Energy Corporation (“**PAEM**”), to Swala (PAEM) Limited, a wholly owned subsidiary of Swala Oil & Gas (Tanzania) plc. (“**Swala**”). The net consideration received by the Company for the transaction was \$19.7 million of which \$15.7 million cash was received on closing of tranche 1 in January 2018. The preference shares entitle the holder to a 10% per annum distribution payable 15 days after each quarter end. The Company has indefinitely extended the outside date to complete tranches 2 and 3 of the transaction pursuant to which Swala would acquire up to 40% of PAEM (an additional 32.067%) on the same terms and conditions as tranche 1. The Company has retained the right to terminate the extension for tranches 2 and 3 at any time. There are no assurances given that one or more of the tranches will be completed on the terms previously disclosed or at all. During the quarter a dividend of \$0.5 million was paid to Swala (PAEM) Limited from PAEM.

(1) Please refer to the Management Discussion & Analysis (“**MD&A**”) for the definition.

Operating and Financial Highlights

| <i>(Expressed in \$'000 unless indicated otherwise)</i> | THREE MONTHS ENDED | | % | NINE MONTHS ENDED | | % |
|--|--------------------|---------------|--------------------|-------------------|--------------------|--------------------|
| | SEPTEMBER 30 | | CHANGE | SEPTEMBER 30 | | CHANGE |
| | 2018 | 2017 | Q3/18 vs Q3 /17 | 2018 | 2017 | Q3/18 vs Q3 /17 |
| OPERATING | | | | | | |
| Daily average gas delivered and sold (MMcfd) | | | | | | |
| Additional Gas | 43.6 | 45.1 | (3)% | 38.3 | 42.7 | (10)% |
| Industrial | 10.8 | 14.0 | (23)% | 13.0 | 12.7 | 2% |
| Power | 32.8 | 31.1 | 5% | 25.3 | 30.0 | (16)% |
| Average price (\$/mcf) | | | | | | |
| Industrial | 9.23 | 7.65 | 21% | 8.20 | 7.69 | 7% |
| Power | 3.78 | 3.63 | 4% | 3.68 | 3.59 | 3% |
| Weighted average | 5.12 | 4.38 | 17% | 5.21 | 4.82 | 8% |
| Operating netback (\$/mcf) ⁽¹⁾ | 2.38 | 2.94 | (19)% | 2.49 | 3.23 | (23)% |
| FINANCIAL | | | | | | |
| Revenue | 15,124 | 15,287 | (1)% | 44,306 | 50,223 | (12)% |
| Net cash flows from operating activities | 10,483 | 14,447 | (27)% | 24,667 | 35,272 | (30)% |
| per share - basic and diluted (\$) | 0.30 | 0.41 | (27)% | 0.70 | 1.01 | (30)% |
| Net income (loss) attributable to shareholders | 2,637 | (34) | n/m | 10,519 | 2,184 | 382% |
| per share - basic and diluted (\$) | 0.07 | (0.00) | n/m | 0.30 | 0.06 | 382% |
| Funds flow from operations ⁽¹⁾ | 4,536 | 4,241 | 7% | 1,880 | 14,777 | (87)% |
| per share - basic and diluted (\$) | 0.13 | 0.12 | 7% | 0.05 | 0.42 | (87)% |
| Capital expenditures (excluding transfers) | 1,354 | 603 | 125% | 3,215 | 1,073 | 200% |
| | | | | | AS AT | |
| | | | | | SEPTEMBER 30, 2018 | |
| | | | | | DECEMBER 31, 2017 | |
| Working capital (including cash) | | 79,955 | | | 69,575 | 15% |
| Cash | | 61,441 | | | 122,322 | (50)% |
| Investments in short term bonds | | 66,599 | | | - | n/m |
| Long-term loan | | 58,603 | | | 58,518 | 0% |
| | | | | | AS AT | |
| Outstanding Shares ('000) | | | | | SEPTEMBER 30, 2018 | |
| | | | | | SEPTEMBER 30, 2017 | |
| Class A | | 1,750 | | | 1,751 | 0% |
| Class B | | 33,506 | | | 33,106 | 1% |
| Total shares outstanding | | 35,256 | | | 34,857 | 1% |
| Weighted average of outstanding Class A and Class B shares ('000) | | 35,256 | | | 34,857 | |

(1) The funds flow from operations and operating netback are non-GAAP measures which may not be comparable to other companies. Please refer to the MD&A for Information on non-GAAP measures.

The complete condensed consolidated unaudited interim financial statements and MD&A for the three and nine month periods ending September 30, 2018 may be found on the Company's website www.orcaexploration.com or on the Company's profile on SEDAR at www.sedar.com.

Orca Exploration Group Inc.

Orca Exploration Group Inc. is an international public company engaged in natural gas exploration, development and supply in Tanzania through its subsidiary PanAfrican Energy Tanzania Limited. Orca trades on the TSX Venture Exchange under the trading symbols ORC.B and ORC.A.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Non-GAAP Financial Measures

The Company discloses several financial measures herein that do not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS"). These financial measures include funds flow from operating activities, funds flow per share, and operating netbacks.

Funds flow from operating activities represents cash flow from operations before working capital changes and demonstrates the Company's ability to generate cash necessary to achieve growth through capital investments. Funds flow from operating activities per share is calculated on the basis of funds flow from operating activities divided by the weighted average number of shares outstanding.

Operating netbacks represent the profit margin associated with the production and sale of additional gas and is calculated as revenues less processing and transportation tariffs, government parastatal's revenue share, operating and distribution costs for one thousand standard cubic feet of additional gas. This is a key measure as it demonstrates the profit generated from each unit of production and is widely used by the investment community.

Management believes that these financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company's principal business activities. Investors should be cautioned that these measures should not be construed as an alternative to net income or other measures of financial performance as determined in accordance with IFRS. The Company's method of calculating these measures may differ from other companies, and accordingly, they may not be comparable to similar measures used by other companies. Please see the Company's MD&A, which is available at www.sedar.com for additional information about these financial measures.