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FOR IMMEDIATE RELEASE

Orca Exploration Announces Completion of its Q2 2019 Interim Filings

TORTOLA, British Virgin Islands August 14, 2019: 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 six month periods ended June 30, 2019 with the Canadian securities regulatory authorities.

- During Q2 2019 the Company continued delivering and selling gas through the National Natural Gas Infrastructure ("**NNGI**") which allowed the Company to maintain the increase in gas deliveries initiated in Q4 2018 pursuant to a side letter agreement to the Portfolio Gas Supply Agreement ("**PGSA**"). On May 29, 2019 the Company announced the signing of a new long-term Gas Sales Agreement ("**LTGSA**") with the Tanzania Petroleum Development Corporation ("**TPDC**"). The LTGSA provides for the supply of up to 20 million standard cubic feet per day ("**MMcfd**") of natural gas to the TPDC operated NNGI on Songo Songo Island, where the natural gas is processed before being transported to Dar es Salaam, primarily for power generation.
- Sales of gas under the LTGSA will replace 20 MMcfd of the 35 MMcfd recently sold under the side letter agreement to the PGSA established with TPDC and the Tanzanian Electric Supply Company ("**TANESCO**") in December 2018. The balance of 15 MMcfd sold under the side letter agreement will continue to be supplied through the NNGI alongside the 20 MMcfd sold under the LTGSA, until the refrigeration unit for the Songas processing plant undergoes final testing and acceptance and is fully optimized to allow production through the Songas facilities to be maintained at 100 MMcfd. The refrigeration unit installation was completed in early July and currently enables the Company to process up to 90 MMcfd through the Songas facilities. On completion of the optimization and final commissioning of the refrigeration unit, the Company expects that all production to TANESCO will revert to being sold through the Songas facilities under the PGSA and the side letter agreement will terminate.
- The Company's revenue for the quarter increased by 40% to $21.0 million from $15.0 million in Q2 2018 and increased 40% to $40.9 million over the six months ended June 30, 2019 compared to $29.2 million for the comparable prior year period. The increase for the quarter and year-to-date amounts is primarily the result of higher revenues from sales to TANESCO, a greater percentage of profit share and a positive current income tax adjustment as a consequence of recording a profit in the periods. Gas deliveries and sales for the quarter averaged 56.6 MMcfd (an increase of 68% over 33.7 MMcfd in Q2 2018) and increased 66% to 59.0 MMcfd for the six months ended June 30, 2019 compared to 35.6 MMcfd for the comparable prior year period. The increase in gas volume deliveries is primarily the result of increased nominations of gas volumes by the TANESCO through the NNGI. The increase in volumes was partially offset by a 17% decrease in the weighted average price of natural gas for Q2 2019 to $4.50/thousand standard cubic foot ("**mcf**") from $5.39/mcf in Q2 2018 and by a 17% decrease in the weighted average price in the six months ending June 30, 2019 to $4.39/mcf from $5.27/mcf for the comparable prior year period.

- The Company recorded a net income attributable to shareholders of $6.7 million for the quarter ($0.19 per share diluted) compared to a net income attributable to shareholders of $12.5 million in Q2 2018 ($0.35 per share diluted) and $9.5 million net income attributable to shareholders for the six months ended June 30, 2019 compared to a net income attributable to shareholders of $7.9 million for the comparable prior year period. The decrease in net income attributable to shareholders for the quarter was primarily a consequence of the increase in finance income in Q2 2018 as a result of the reversal of the provision for doubtful accounts of $13.4 million related to the collection of TANESCO arrears previously provided for. The increase for the six months ended June 30, 2019 was primarily a consequence of the increase in revenue, reduced stock based compensation and the decrease in the finance expense between periods offsetting the decrease in finance income.
- Net cash flows from operating activities for the quarter ended June 30, 2019 decreased by 29% to $8.9 million in the quarter compared to $12.7 million in Q2 2018 and increased by 56% for the six months ended June 30, 2019 to $22.1 million from $14.2 million for the comparable prior year period. The decrease in the quarter is a consequence of the increase in finance income in Q2 2018 as noted above. The increase in the six months ended June 30, 2019 compared to the six months ended June 30, 2018 is mainly due to an increase in revenue between periods and a decrease in stock based compensation.
- Adjusted funds flow from operations [(1)] for the quarter increased by 120% to $10.5 million from $4.8 million in Q2 2018 and increased by 152% to $19.5 million for the six months ended June 30, 2019 compared to $7.7 million for the six months ended June 30, 2018. The increase for the quarter and the six months ended June 30, 2018 from the comparable prior year periods is primarily a result of increased sales volumes and revenue between periods.
- Working capital increased 18% to $99.2 million compared to $84.2 million as at December 31, 2018. The increase is primarily the result of the continued collection of TANESCO long-term arrears and the decrease in liabilities associated with the TPDC Profit Gas entitlement. The combined total of cash and investment in short-term bonds at June 30, 2019 was $143.7 million (December 31, 2018: $131.5 million), an increase of 9%. The Company's intention is to hold the bond investments to maturity.
- At June 30, 2019 the current receivable from TANESCO was $ nil (December 31, 2018: $ nil). During the quarter, the amounts received from TANESCO were in excess of the revenue for gas sales to TANESCO resulting in the reversal of the provision for doubtful accounts of $3.5 million in Q2 2019. The TANESCO long-term trade receivable at June 30, 2019 was $55.0 million with a provision of $55.0 million compared to $58.5 million (with a provision of $58.5 million) at December 31, 2018. Subsequent to June 30, 2019 the Company has invoiced TANESCO $4.6 million for July 2019 gas deliveries and TANESCO has paid the Company $6.2 million.
- On May 29, 2019 the Company declared a dividend of CDN$0.06 per share on each of its Class A voting and Class B subordinate voting shares, totaling $1.6 million and payable to the holders of record as of June 30, 2019 and paid prior to July 31, 2019.
- On June 10, 2019 the Company announced its intention to initiate a Normal Course Issuer Bid (the "NCIB") for purchase of its Class B shares. Purchases made pursuant to the NCIB will not exceed 1,000,000 Class B shares, representing approximately 3% of the total outstanding Class B Shares at the commencement of the NCIB. The NCIB will be in effect from June 14, 2019 to June 14, 2020. As at June 30, 2019 the Company had repurchased 16,500 shares pursuant to the NCIB at an average price of CDN$6.28. Shareholders may obtain a copy of the notice regarding the NCIB filed with the TSX Venture Exchange from the Company without charge.

[(1)] *Adjusted funds flow from operations is a non-GAAP financial measure which may not be comparable to other companies. Please refer to non-GAAP financial measures below.*

Q2 2019 Financial and Operating Highlights

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

(Expressed in $'000 unless indicated otherwise)	THREE MONTHS ENDED JUNE 30 2019	2018	% CHANGE Q2/19 vs Q2/18	SIX MONTHS ENDED JUNE 30 2019	2018	% CHANGE YTD/19 vs YTD/18
OPERATING						
Daily average gas delivered and sold *(MMcfd)*	**56.6**	33.7	68%	**59.0**	35.6	66%
Industrial	**13.1**	14.2	(7)%	**12.4**	14.1	(12)%
Power	**43.5**	19.5	123%	**46.6**	21.5	117%
Average price *($/mcf)*						
Industrial	**8.32**	7.80	7%	**8.15**	7.80	4%
Power	**3.35**	3.62	(7)%	**3.39**	3.61	(6)%
Weighted average	**4.50**	5.39	(17)%	**4.39**	5.27	(17)%
Operating netback *($/mcf)* [(1)]	**2.81**	3.18	(12)%	**2.65**	2.68	(1)%
FINANCIAL						
Revenue	**20,994**	14,959	40%	**40,930**	29,182	40%
Net cash flows from operating activities	**8,943**	12,657	(29)%	**22,149**	14,184	56%
per share - basic and diluted *($)*	**0.25**	0.36	(31)%	**0.63**	0.40	57%
Net income attributable to shareholders	**6,726**	12,493	(46)%	**9,510**	7,882	21%
per share - basic and diluted *($)*	**0.19**	0.35	(46)%	**0.27**	0.22	23%
Adjusted funds flows from operations [(1)]	**10,463**	4,752	120%	**19,500**	7,727	152%
per share - basic and diluted *($)*	**0.30**	0.14	114%	**0.55**	0.22	150%
Capital expenditures	**1,413**	1,042	36%	**2,505**	1,861	35%

	AS AT JUNE 30, 2019	DECEMBER 31, 2018	
Working capital (including cash)	**99,213**	84,182	18%
Cash and cash equivalents	**47,100**	64,660	(27)%
Investments in short-term bonds	**96,645**	66,837	45%
Long-term loan	**53,988**	53,900	0%

	AS AT JUNE 30, 2019	JUNE 30, 2018	
Outstanding shares *('000)*			
Class A	**1,750**	1,750	0%
Class B	**33,490**	33,506	0%
Total shares outstanding	**35,240**	35,256	0%
Weighted average Class A and Class B shares *('000)*	**35,256**	35,256	0%

(1) *Adjusted funds flow from operations and operating netback are non-GAAP financial measures which may not be comparable to other companies. Please refer to non-GAAP financial measures below. Certain prior year amounts for adjusted funds flow from operations have been reclassified to conform with the current year presentation.*

The complete condensed consolidated unaudited interim financial statements and MD&A for the three and six month periods ending June 30, 2019 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. See the Company's MD&A for the three and six months ended June 30, 2019 available on the Company's website www.orcaexploration.com or on the Company's profile on www.sedar.com for a reconciliation of these non-GAAP financial measures to their most comparable GAAP measures.

Adjusted funds flow from operations 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. Adjusted funds flow from operations is calculated on the basis of adjusted funds flow from operations 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.

Forward Looking Information

Certain information regarding Orca set forth in this press release contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Orca's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, TANESCO's generation of electricity, and future demand for electricity. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Orca's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Orca.

In particular, forward-looking statements contained in this press release include, but are not limited to, statements with respect to Orca's expectations regarding the volumes of natural gas sold through the NNGI and Songas facilities pursuant to both the LTGSA and the side letter agreement to the PGSA; the effect of the LTGSA on the side letter agreement, including the volumes of natural gas sold underneath each instrument; the expected termination of the side letter agreement; the completion and optimization of the refrigeration unit at the Songas facilities and its effects on natural gas volumes and sales; the Company's intentions regarding holding certain bond investments; and the duration and details of the Company's NCIB, including the number of shares to be repurchased under the NCIB.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions; industry conditions including changes in laws and regulations, and changes in how they are interpreted and enforced; competition; lack of availability of qualified personnel; risks related to obtaining required approvals of regulatory authorities; risks associated with negotiating with governments and other counterparties; fluctuations in foreign exchange or interest rates; changes in income tax laws or tax rates; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under the terms of their contracts; failure to enter into the expected long-term agreement superseding the Agreement, on the expected terms or at all; failure to commission and optimize the Songas facilities' refrigeration unit, and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although the forward-looking statements contained in this press release are based upon assumptions which management believes to be reasonable, Orca cannot assure investors that actual results will be consistent with these forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements included in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. With respect to forward-looking statements contained in this press release, Orca has made assumptions regarding, among other things: availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; receipt of partner, regulatory and community approvals; future operating costs; effects of regulation by governmental agencies; that Orca will have sufficient cash flow or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Orca's conduct and results of operations will be consistent with its expectations; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; and other matters.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide investors with a more complete perspective on Orca's current and future operations and such information may not be appropriate for other purposes. Orca's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits Orca will derive. These forward-looking statements are made as of the date of this press release and Orca disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.