

OIL AND GAS RESERVES AND NET PRESENT VALUE OF FUTURE NET REVENUE

In accordance with National Instrument 51-101 – Standard of Disclosure for Oil and Gas Activities, McDaniel & Associates Consultants Ltd. (“McDaniel”), independent petroleum engineering consultants, prepared a report (the “McDaniel Orca Exploration report”) dated April 7, 2010. The McDaniel Orca Exploration Report evaluated, as at 31 December 2009, Orca Exploration Group Inc.’s (the “Company” or “Orca Exploration”) Tanzanian natural gas reserves for the period to the end of its licence in October 2026. The tables below are a summary of the natural gas reserves of the Company and the net present value of future net revenue attributable to such reserves as evaluated in the McDaniel Orca Exploration Report utilising forecast price and cost assumptions. The tables summarize the data contained in the McDaniel Orca Exploration Report and as a result may contain slightly different numbers due to rounding. The net present value of future net revenue attributable to the Company’s reserves is stated without provision for interest costs and out of country general and corporate administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by McDaniel. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Company’s reserves estimated by McDaniel represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Company’s natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

The McDaniel Orca Exploration Report is based on certain factual data supplied by the Company and McDaniel’s opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Company’s petroleum properties and contracts (except for certain information residing in the public domain) were supplied by Orca Exploration to McDaniel and accepted without any further investigation. McDaniel accepted this data as presented and neither title searches nor field inspections were conducted.

Reserves Data – Forecast Prices and Costs

Summary of Oil and Gas Reserves

	Company Gross Reserves			Company Net Reserves		
	Light and Medium Crude Oil	Natural Gas Liquids	Natural Gas	Light and Medium Crude Oil	Natural Gas Liquids	Natural Gas
	<i>Mbbl</i>	<i>Mbbl</i>	<i>MMcf</i>	<i>Mbbl</i>	<i>Mbbl</i>	<i>MMcf</i>
Proved						
Developed Producing	-	-	300,673	-	-	169,216
Developed Non-Producing	-	-	-	-	-	-
Undeveloped	-	-	84,223	-	-	72,635
Total Proved	-	-	384,897	-	-	241,850
Probable	-	-	105,335	-	-	65,138
Total Proved plus Probable	-	-	490,231	-	-	306,988

Net Present Value of Future Net Revenue of Oil and Gas Reserves

	Before Future Income Tax Expenses ⁽⁸⁾ and Discounted at				
	0%	5%	10%	15%	20%
<i>(US\$000s)</i>					
Proved					
Developed Producing	344,995	223,447	157,087	118,239	93,963
Developed Non-Producing	-	-	-	-	-
Undeveloped	198,742	132,439	90,564	63,345	45,168
Total Proved	<u>543,738</u>	<u>355,886</u>	<u>247,651</u>	<u>181,584</u>	<u>139,130</u>
Probable	142,840	76,966	43,432	25,628	15,807
Total Proved plus Probable	<u>686,577</u>	<u>432,853</u>	<u>291,083</u>	<u>207,211</u>	<u>154,938</u>

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<i>(US\$000s)</i>					
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Developed Non-Producing	-	-	-	-	-
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Notes:

- (1) The crude oil and natural gas reserves estimates presented in the McDaniel Orca Exploration Report have been based on the definitions and guidelines prepared by the Standing Committee on Reserves Definitions of the CIM (Petroleum Society) as presented in the Canadian Oil and Gas Evaluation (the "COGE" Handbook). A summary of those definitions is presented below.
- (2) Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.
- (3) Reserves are classified according to the degree of certainty associated with the estimates:
 - (a) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
 - (b) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
 - (c) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
 - (d) Other criteria that must also be met for the categorization of reserves are provided in Section 5.5.4 of the COGE Handbook.
- (4) Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:
 - (a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
 - (b) Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they

must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

- (c) Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
 - (d) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.
- (5) The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:
- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
 - (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
 - (c) at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.
- Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5 of the COGE Handbook.
- (6) “Company Gross Reserves” are the total of the Company’s working and/or royalty interest share after Tanzania Petroleum Development Corporation (“TPDC”) back-in and before deduction of royalties owned by others. It represents the Company’s percentage working interest in the property gross reserves.
 - (7) “Company Net Reserves” are the total of the Company’s working and/or royalty interest share after deducting the amounts attributable to royalties owned by others and additional profits tax, and represent the Company’s share of total Cost Gas and Profit Gas.
 - (8) See “Tax Horizon” for details of tax treatment.
 - (9) There are no state royalties in the Songo Songo PSA.
 - (10) In the McDaniel Orca Exploration Report, it has been assumed that TPDC will exercise its right to ‘back in’ to the field development by contributing 20% of the costs of the future wells, including SS-10 and a proportion of the infrastructure and operating costs, in return for a 20% increase in the profit share for the production emanating from these wells. McDaniel has taken the view that this ‘back in’ right should be treated as a TPDC working interest and therefore the Gross Property reserves have been adjusted for the volumes of natural gas that are allocated to TPDC for their working interest share. The average effective TPDC working interest in proved plus probable reserves over the life of the licence is 6%, or a total of 29,785 MMcf.

Additional Information Concerning Future Net Revenue – (Undiscounted)

	<u>Revenue</u>	<u>Royalties</u>	<u>Operat- ing Costs</u>	<u>Develop- ment Costs</u>	<u>Abandon- ment and Reclamation Costs</u>	<u>Future Net Revenue Before Income Taxes</u>	<u>Income Taxes</u>	<u>Future Net Revenue After Income Taxes</u>
<i>(US\$000s)</i>								
Total Proved Reserves	819,764	-	218,475	57,551	-	543,738	-	543,738
Total Proved plus Probable	1,013,686	-	225,617	101,492	-	686,577	-	686,577

1. Revenue is net of Additional Profits Tax which is a form of royalty

Future Net Revenue by Production Group

	Future Net Revenue Before Future Income Tax Expenses Discounted at 10%	Net Unit Value Before Income Taxes Discounted at 10% (\$/Mcf)
<i>(US\$000s)</i>		
Proved		
Light and Medium Crude Oil ⁽¹⁾	-	-
Natural Gas ⁽²⁾	247,651	1.02
Proved plus Probable		
Light and Medium Crude Oil ⁽¹⁾	-	-
Natural Gas ⁽²⁾	291,083	0.95

Notes:

- (1) Including solution gas and other by-products.
(2) Including by-products, but excluding solution gas from oil wells.

Pricing Assumptions – Forecast Prices, Costs and Gas Sales

McDaniel employed the following gas sales, pricing and inflation rate assumptions as of 31 December 2009 in estimating the Company's reserves data using forecast prices and costs. The Company received an average gas price of US\$3.60/Mcf in 2009.

Year	Brent crude US\$/bbl	Songo Songo gas prices		Annual inflation %
		Proved US\$/Mcf	Proved plus probable US\$/Mcf	
2010	78.50	3.63	3.63	2
2011	82.10	3.72	3.61	2
2012	85.80	3.98	3.78	2
2013	89.70	4.43	4.39	2
2014	93.70	4.60	4.56	2
2015	97.70	4.78	5.07	2
2016	99.70	4.96	5.19	2
2017	101.70	5.10	5.30	2
2018	103.60	5.25	5.41	2
2019	105.80	5.33	5.49	2
2020	107.90	5.41	5.56	2
2021	110.00	5.48	5.64	2
2022	112.20	5.51	5.72	2
2023	114.50	5.52	5.77	2
2024	116.80	5.78	5.93	2

The price of gas for the industrial sector is based on a formula related to heavy fuel oil prices. During 2008, the majority of the industrial contracts were extended and caps and floors were incorporated. This has been reflected in the above pricing.

The price of natural gas for the power sector is set by reference to a base price of \$1.90/MMBTU in 2008 escalated at 2% per annum plus an estimation of the Songas transportation tariff and Orca marketing and connection fees as determined by the energy regulator, EWURA.

The price of natural gas sold to Wazo Hill is based on the contracted prices as set out in the 2008 gas sales agreement with Tanzania Portland Cement Company plus an estimation of the Songas transportation tariff as determined by the energy regulator, EWURA.

RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

Reserves Reconciliation

The following table sets forth a reconciliation of the Company's total gross working interest proved and proved plus probable reserves as at 31 December 2009 against such reserves as at 31 December 2008:

	Gross Associated and Non-Associated Natural Gas (Bcf)		
	Proved	Probable	Proved plus Probable
Reserves at 31 December 2008	389.4	102.0	491.4
Extensions	-	-	-
Improved recovery	-	-	-
Technical revisions	-	-	-
Discoveries	-	-	-
Acquisitions	-	-	-
Dispositions	-	-	-
Economic factors	5.9	3.3	9.2
Production	(10.4)	-	(10.4)
Reserves at 31 December 2009	384.9	105.3	490.2

During 2009 no significant new geological or geophysical data were acquired to alter the evaluation of original gas in place. The decrease in reserves is due to production in 2009 and a change in the sales mix from CNG towards power. Continued excellent reservoir performance has led to a small increase in the proved recovery factor.

UNDEVELOPED RESERVES

The following table details the undeveloped reserves for the years ended 31 December 2007, 2008 and 2009:

	As of December 31, 2009	
	Natural Gas	
Proved Undeveloped	1st Attributed (MMcf)	Booked (MMcf)
Prior to 2007	46,338	46,338
2007	-	60,952
2008	-	135,927
2009	-	84,223
Probable Undeveloped	1st Attributed (MMcf)	Booked (MMcf)
Prior to 2007	111,984	111,984
2007	-	103,152
2008	-	63,746
2009	-	65,832

The following discussion generally describes the basis on which the Company attributes proved and probable undeveloped reserves and its plans for developing those undeveloped reserves.

Proved Undeveloped Reserves

Proved undeveloped reserves have decreased due to increased offtake rates (associated with increased processing capacity) and extended plateau period prior to the license expiry.

Probable Undeveloped Reserves

Probable undeveloped reserves were assigned for the development of areas of the pool that are further away from well control than assigned in the proved reserves case. This has increased in 2009 as there has been a slight increase in the overall level of probable reserves compared to 2008.

The undeveloped reserves will be developed by the drilling of new wells as and when required to meet the demands for gas by consumers.

SIGNIFICANT FACTORS OR UNCERTAINTIES AFFECTING RESERVES DATA

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. The Company's reserves are evaluated by McDaniel, an independent petroleum engineering firm.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

FUTURE DEVELOPMENT COSTS

The table below sets out the development costs deducted in the estimation of future net revenue attributable to proved and probable reserves using forecast prices and costs.

	Forecast Prices and Costs	
	Proved	Proved plus Probable
<i>(US\$000s)</i>		
2010	5,352	5,352
2011	3,451	3,451
2012	22,663	22,663
2013	3,502	3,590
Remaining Years	22,583	66,435
Total Undiscounted	57,551	101,492

The Company estimates that it will have sufficient funds to finance the future development costs disclosed above. The Company typically has available three sources of funding to finance its capital expenditure program; internally generated cash flow from operations, senior and subordinated debt financing when appropriate and new equity issues, if available on favourable terms.

The Company expects to fund its 2010 capital expenditure programme from its existing working capital and internally generated cash flows. In addition, the Company has no bank borrowings and there is scope for utilising debt funding once sufficient gas contracts are in place.

Land Holdings

The following table set out the developed and undeveloped land holdings of the Company as at 31 December 2009:

	Developed		Undeveloped		Total	
	Gross ¹	Net ²	Gross ¹	Net ²	Gross ¹	Net ²
Songo Songo	53,623	50,942	-	-	53,623	50,406
Total Tanzania	53,623	50,942	-	-	53,623	50,406

Notes:

- (1) "Gross" refers to the total acres of the property in which Orca Exploration or its subsidiaries have an interest.
- (2) "Net" refers to the total acres in which Orca Exploration or its subsidiaries have an interest, multiplied by the effective working interest percentage owned therein after taking into account the expected TPDC "back-in" rights.

GAS WELLS

The following table summarizes the Company's interest as at 31 December 2009 in wells that are producing and non-producing.

	Producing Wells		Non-Producing Wells	
	Natural Gas		Natural Gas	
	Gross	Net	Gross	Net
Songo Songo	5.0	5.0	1.0	0.8
Total Tanzania	5.0	5.0	1.0	0.8

The SS-10 well drilled in 2007 will be tied in to the gas processing plant during Q2 2010. It is anticipated that TPDC will contribute 20% of the costs of SS-10 well drilled when it exercises its right of "back in". The terms of the "back in" are still to be discussed with TPDC.

PROPERTIES WITH NO ATTRIBUTED RESERVES

The following table summarizes the gross and net acres of unproved properties in which the Company has an interest and also the number of net acres for which the Company's rights to explore, develop or exploit will, absent further action, expire within one year.

	Gross Acres	Net Acres	Net Acres Expiring Within One Year	Nature, cost and timing of work commitments US\$'000
Songo Songo	-	-	-	-
Total Tanzania	-	-	-	-

EXPLORATION AND DEVELOPMENT ACTIVITY

The following table summarizes the Company's drilling results for the year ended 31 December 2009.

	Songo Songo	
	2009	
	Gross	Net ⁽¹⁾
Exploration		
Natural Gas	-	-
Suspended	-	-
Dry and Abandoned	-	-
Total Exploration	-	-
Development		
Natural Gas	-	-
Suspended	-	-
Dry and Abandoned	-	-
Total Development	-	-
Total	-	-

No wells were drilled in 2009 and no wells are planned for 2010.

ADDITIONAL INFORMATION CONCERNING ABANDONMENT AND RECLAMATION COSTS

The estimates of well abandonment costs included in the McDaniel Orca Exploration Report as deductions in arriving at future net revenue are as follows:

	Songo Songo		
	Constant Prices and Costs	Forecast Prices and Costs	
	Proved Reserves	Proved Reserves	Proved Plus Probable Reserves
<i>(US\$000s)</i>			
Undiscounted	-	-	-
Discounted at 10% per year	-	-	-

Under the terms of the PSA, Orca Exploration is not liable for abandonment and reclamation costs as it is envisaged that the wells will continue to produce after Orca Exploration has relinquished the licence.

TAX HORIZON

Under the terms of the Production Sharing Agreement (“PSA”), the Company is required to pay Tanzanian income tax, but this recovered by the Company through the profit sharing arrangements with TPDC. Where income tax is accrued, the Company’s revenue will be grossed up by the tax due and the tax will be shown as a tax in the Company’s accounts. However, the income tax has no material impact on the cash flows emanating from the PSA and accordingly it has not been identified as a separate cash flow stream in the analysis of the net present values.

The Company does not pay any royalties. However, under the terms of the PSA, in the event that all costs have been recovered with an annual return of 25% plus the percentage change in the United States Industrial Goods Producer Price Index (“PPI”), an Additional Profits Tax (“APT”) is payable at a rate of 25% of the Company’s profit share. This rate can increase to 55% of the Company’s profit share where all costs have been recovered with an annual return of 35% plus the PPI.

The APT can have a significant impact on the project economics as measured by the net present value of the cash streams emanating under the PSA. Higher revenue in the initial years leads to a rapid payback of the project costs and consequently accelerates the payment of the APT. Therefore, the terms of the PSA rewards the Company for taking higher risks by incurring capital expenditure in advance of revenue generation.

The APT has been netted off against revenue rather than identified as a separate cash flow stream in the analysis of the net present values under both the constant and forecast price cases, as its payment and calculation is determined by the terms of the PSA and is applicable only to reserves within the Songo Songo PSA rather than as income tax expense as are most corporate income taxes.

COSTS INCURRED

The following table summarizes the Company's property acquisition costs, exploration costs and development costs for the year ended 31 December 2009.

	Year ended 31 December 2009
<i>(US\$000)</i>	
Lease acquisition and retention	-
Geological and geophysical	763
Drilling and completion	(1,142)
Production equipment	853
Infrastructure	3,591
Capitalized general and administrative	-
Business development	635
Decommissioning asset	-
Total ⁽¹⁾	4,699
Cost by category	
Acquisition of proved properties	-
Acquisition of unproved properties	-
Exploration costs	112
Development costs	4,587
Other costs	-
Total	4,699

Notes

(1) These costs represent the gross property costs and do not take into account any TPDC back-in.

(2) The geological and geophysical include costs incurred on Songo Songo West.

(3) The negative drilling and completion costs is in relation to the reversal of costs in relation to the drilling of SS-10 in 2007.

Further analysis of capital expenditures

The tables below summarize the Company's quarterly capital expenditures for the year ended 31 December 2009.

<i>(US\$000)</i>	Quarter ended			
	31 December 2009	30 September 2009	30 June 2009	31 March 2009
Property acquisitions and retention	-	-	-	-
Geological and geophysical including drilling and completion and production equipment	(1,070)	338	222	131
Development and facilities	157	1,339	1,317	1,630
Business development	343	289	3	--
	(570)	1,966	1,542	1,761

Personnel

As at December 31, 2009, the Company had a full time complement of 24 full-time personnel, excluding approximately four consultants and contract personnel who devoted the majority of their

time to the Company. In addition the Company employs an additional 30 employees who are recharged to Songas for the operatorship of the gas processing plant.

Location	Number of full time personnel
Tanzania – Head office	24
Tanzania – Songo Songo Island (Operatorship)	30
	54

PRODUCTION ESTIMATES

The following table discloses for each product type the total volume of production estimated by McDaniel for 2009 in the estimates of future net revenue from proved and proved plus probable reserves disclosed above under the heading “Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue”.

2010 Forecast Production

(MMcf)	Proved	Proven plus Probable
Songo Songo natural gas	12,254	12,254

PRODUCTION HISTORY

The following tables disclose the Company’s quarterly average gross daily production (before TPDC profit share) for the year ended 31 December 2009.

Average Property Gross Daily Production

(MMcfd)	Quarter ended			
	31 December 2009	30 September 2009	30 June 2009	31 March 2009
Songo Songo natural gas	33.8	33.4	25.3	21.0

Production Volume by Field

The following table discloses for each important field, and in total, the Company’s gross production volumes for the year ended 31 December 2009 for each product type.

(MMcf)	Natural Gas
Songo Songo gas field	10,422

April 7, 2010

Orca Exploration Group Inc.

Barclays House, 5th Floor
Ohio Street
P.O. Box 80139
Dar es Salaam, Tanzania

Attention: The Board of Directors of Orca Exploration Group Inc.

**Re: Form 51-101F2
Report on Reserves Data by an Independent Qualified Reserves Evaluator
of Orca Exploration Group Inc. (the “Company”)**

To the Board of Directors of Orca Exploration Group Inc. (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2009. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”) prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us, for the year ended December 31, 2009, and identifies the respective portions thereof that we have evaluated, audited and reviewed and reported on to the Company's management:

Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue \$M (before income taxes, 10% discount rate)			
		Audited	Evaluated	Reviewed	Total
April 7, 2010	Tanzania	-	291,083	-	291,083

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our report for events and circumstances occurring after the preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.



B. H. Emslie, P. Eng.

Calgary, Alberta

Date: April 7 2010

FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS ON OIL & GAS DISCLOSURE

Management of Orca Exploration Group Inc. (the "**Company**") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009 using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented below.

The board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

- (a) the content and filing with securities regulatory authorities of the Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

DATED as of this 30th day of April, 2010.

(signed) "W. David Lyons"

W. David Lyons
Chief Executive Officer and a Director

(signed) "Nigel A. Friend"

Nigel A. Friend
Chief Financial Officer, Vice President and a Director

(signed) "James Smith"

James Smith
Director

(signed) "Pierre Raillard"

Pierre Raillard
Director