NEWS RELEASE
ORCA ENERGY GROUP INC.

Operations Update & Guidance for 2022

For Immediate Release

TORTOLA, BRITISH VIRGIN ISLANDS – December 2, 2021: Orca Energy Group Inc. ("**Orca**" or the "**Company**" and includes its subsidiaries and affiliates) (TSX-V: ORC.A, ORC.B) today announces an operations update and guidance for 2022. All amounts are in United States dollars ("**$**") unless otherwise stated.

Jay Lyons, Chief Executive Officer, commented:

"Despite challenges associated with global supply chains and other COVID-19 related issues, we are very pleased to announce good progress on our 2021 work programs, a significant $50 million capital program and further guidance for 2022. These plans are consistent with Orca's 20 year track record of proactive investment and field development to ensure sustainable gas supply to the United Republic of Tanzania. Subject to Government approvals, the proposed plan will enable the Company to not only maintain, but potentially increase its production in the near to medium term to align with the country's energy needs and industrialization objectives while maintaining returns to our shareholders."

Operations Update

Well Workover Program: Following acceptance testing, the Exalo S.A drilling rig is onsite Songo Songo ("**SS**") Island and remediation work has commenced on SS-3, the first of a planned three well onshore workover program. The $20.5 million program includes the reactivation/recompletion of the SS-3 and SS-4 wells to access incremental gas reserves in the SS east pool and provide additional gas deliverability to the SS gas plant. Together with the SS-3 and SS-4 wells, the SS-10 well, which remains in production, will be worked over and completed with a new corrosion resistant chrome alloy production tubing string in accordance with the Company's ongoing corrosion monitoring and infrastructure integrity management system. With the completion of the workover program in Q1 2022, all the producing gas wells in the SS gas field will be equipped with the corrosion resistant tubing strings to ensure continued reliable gas production to the Tanzanian power sector and industrial customers in the Dar es Saleem region.

Inlet Compression Project: Initiated in 2019, the $41.5 million inlet compression project is nearing completion, with a potential startup ahead of the contractual April 2022 target, following tie in to the SS gas plant and commissioning planned for early 2022. The inlet compression will allow production volumes to be sustained through the Songas Limited ("**Songas**") infrastructure at approximately 102 million standard cubic feet per day ("**MMcfd**") in the near term (3-5 years).

Subject to demand volumes, natural reservoir pressure declines and the associated well performance, the $63 million invested in workovers and inlet compression facilities at the Songas infrastructure when combined with gas supplied to the National Natural Gas Infrastructure ("**NNGI**") will provide the opportunity to initially increase total production capacity from the SS gas field in early 2022.

Guidance

Capital Expenditures

The Company has approved a capital expenditure program of $50 million for 2022, subject to requisite government approvals, equipment and contractor availability.

The 2022 program includes $20 million for a 200 km^2 3D seismic program over the SS development license, $11.5 million to expand the Company's existing downstream gas distribution system, approximately $7 million for ongoing maintenance and facilities projects and an estimated $11.5 million of expenditures in 2022 associated with the current work over program and inlet compression project.

If approved by the Government of Tanzania, the $20 million 3D seismic program will acquire approximately 200 square kilometers of full fold data comprised of marine, near shore transition and land based seismic to properly image the existing SS gas field and the additional contingent/prospective resources in the SS license acreage. The existing seismic data base is a coarse grid of 2D seismic lines of various vintages ranging from 1978 to 2009 which are insufficient to image and resolve the emerging compartmentalization and complexity of the SS gas field identified through annual pressure surveys and pressure transient analysis. The 3D seismic program is required to de-risk both the future development drilling in the SS gas field and potential exploration drilling of prospective resources prior to the SS license expiring in October 2026. Based on historical pressure declines, current reservoir simulation modeling and internal gas demand forecasts, additional drilling will be required to ensure adequate supplies of natural gas in the near term (3-5 years) and beyond 2026. Subject to regulatory approvals and contractor availability, the Company is targeting a mid-year commencement of the 3D seismic program to align with seasonal meteorological conditions.

The $11.5 million budgeted for the Company's subsidiary, PanAfrican Energy Tanzania Limited's ("**PAET**") downstream distribution system includes expansion of the Dar es Salaam ring-main pipeline distribution and further expansion of the compressed natural gas (”**CNG**”) virtual pipeline (“**VPL**”) system to supply natural gas to potential industrial customers and expand the use of CNG in the transportation sector. Expansion of the CNG VPL system is subject to commercial negotiations and government approvals. The expansion of PAET’s VPL and CNG business will enable the extension of gas supplies, accelerate industrial expansion outside of Dar es Salaam, and more widely avail gas to Mwananchi. Moreover, it will further displace imported expensive liquid fuels with a higher carbon content, assisting Tanzania in reaching its sustainable development goals, including reducing inequalities, promoting decent work and economic growth, and meaningful climate action.

Production

Based on historical gas demand and on internal forecasts, Orca forecasts average gross conventional natural gas production of 60 – 66 MMcfd, which will be classified as "Additional Gas" under the terms of the PSA (as defined herein), representing a potential 7% increase year-on-year (mid-point of guidance) over estimated gross conventional natural gas production (Additional Gas) of ~ 58 MMcfd in 2021. When combined with an estimated ~ 40 MMcfd of conventional natural gas production, which will be classified as "Protected Gas" under the terms of the PSA, the total average gross conventional natural gas production from the SS gas field is estimated to be ~ 100- 106 MMcfd for 2022.

Financial

- Orca continues to benefit from a robust balance sheet, with cash and cash equivalents of ~ $71.8 million and long-term debt of ~ $44.6 million as at November 29, 2021.
- The Company anticipates that its planned capital program will be funded from existing working capital and forecast cashflow.
- The Company has signed several new gas sales agreements in 2021 across numerous industrial sectors, and is in discussion/negotiations with a number of potential new industrial customers looking to convert from expensive imported liquid fuels to domestic natural gas.
- On November 19, 2021, Orca declared a quarterly cash dividend of $0.10 (CDN) per share on each of its Class A common voting shares and Class B subordinate voting shares. The dividend will be paid on January 14, 2022 and is expected to be of a similar financial amount to the previous quarterly dividend, with an average yield in 2021 of ~8%.
- The Company continues to monitor its financial position and will look to balance both investing in production growth at SS, for the benefit of the country’s expanding economy, while also returning value to shareholders as appropriate.
- In accordance with the Company’s dividend policy, Orca anticipates maintaining its quarterly dividend.

Orca Energy Group Inc.

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

The principal asset of Orca is its interest in the Production Sharing Agreement ("**PSA**") with the Tanzanian 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 SS licence offshore Tanzania. The PSA defines the gas produced from the SS gas field as "Protected Gas" and "Additional Gas". The Protected Gas is owned by TPDC and is sold under a 20-year gas agreement (until July 31, 2024) to Songas and Tanzania Portland Cement PLC ("**TPCPLC**"). Songas is the owner of the infrastructure that enables the gas to be processed and delivered to Dar es Salaam, which includes a gas processing plant on SS Island. Additional Gas is all gas that is produced from the SS gas field in excess of Protected Gas.

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FORWARD LOOKING INFORMATION

This news release contains forward-looking statements or information (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation. All statements, other than statements of historical fact included in this news release, which address activities, events or developments that Orca expects or anticipates to occur in the future, are forward-looking statements. Forward-looking statements often contain terms such as may, will, should, anticipate, expect, continue, estimate, believe, project, forecast, plan, intend, target, outlook, focus, could and similar words suggesting future outcomes or statements regarding an outlook. More particularly, this news release contains, without limitation, forward-looking statements pertaining to the following: the Company's ability to maintain or increase the production capacity of the SS gas field; the Company's ability to expand production volumes and capabilities through the Songas infrastructure, including through the utilization of the NNGI; the Company's expectations regarding timing and required expenditures for the completion of installation of the well workover program and inlet compression project; the Company's ability to access incremental gas reserves in the SS east pool and provide additional gas deliverability to the SS gas plant as a result of the well workover program; the data acquired from the 3D seismic program and the benefit obtained therefrom; the Company's expectations regarding timing and expenditures required to commence the 3D seismic program; the Company's ability to extend gas supplies, accelerate industrial expansion and more widely avail gas to Mwananchi by expanding PAET's CNG VPL system; Orca's forecast capital expenditures for 2022, including the allocation thereof and the Company's operational plans for such expenditures; Orca's average gas production forecasts; the Company's ability to fund its capital program from existing working capital and cashflow; the total amount of the Company's dividend payable on January 14, 2022; and Orca's expectations regarding maintaining its quarterly dividend. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Although 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, operational, competitive, political and social uncertainties and contingencies.

These forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, and many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company, including, but not limited to, reduced global economic activity as a result of the COVID-19 pandemic, including lower demand for natural gas and a reduction in the price of natural gas; natural reservoir pressure declines and associated well performance; the potential impact of the COVID-19 pandemic on the health of the Company's employees, contractors, suppliers, customers and other partners and the risk that the Company and/or such persons are or may be restricted or prevented (as a result of quarantines, closures or otherwise) from conducting business activities for undetermined periods of time; the impact of actions taken by governments to reduce the spread of COVID-19, including declaring states of emergency, imposing quarantines, border closures, temporary business closures for companies and industries deemed non-essential, significant travel restrictions and mandated social distancing, and the effect on the Company's operations, access to customers and suppliers, availability of employees, and other resources; risk that contract counterparties are unable to perform contractual obligations; the potential negative effect on the Company's rights under the Company's production sharing agreement ("**PSA**") and other agreements relating to its business in Tanzania as a result of the Petroleum Act, passed in 2015 (the "**Act**"), and other recently enacted and future legislation, as well as the risk that such legislation will create additional costs and time connected with the Company's business in Tanzania; risks regarding the uncertainty around evolution of Tanzanian legislation; the impact of general economic conditions in the areas in which the Company operates; civil unrest; the susceptibility of the areas in which the Company operates to outbreaks of disease; industry conditions; lack of availability of qualified personnel, contractors or management; fluctuations in commodity prices, foreign exchange rates and/or interest rates; stock market volatility; competition for, among other things, capital, drilling equipment and skilled personnel; failure to obtain required equipment for drilling; delays in drilling plans; failure to obtain expected results from drilling of wells; changes in laws and regulations including the adoption of new environmental laws and regulations; impact of new local content regulations and changes in how they are interpreted and enforced; imprecision in reserve estimates; the production and growth potential of the Company's assets; obtaining required approvals from regulatory authorities; risks associated with negotiating with foreign governments; failure to install compression on the Songas infrastructure or complete the well workover program on the timeline anticipated; failure to increase production volumes and capabilities through the Songas infrastructure; risk that the expenditures to increase production volumes and capabilities through the Songas infrastructure is higher than anticipated; risk that the 3D seismic program is delayed or more expensive than anticipated; risk that the results of the 3D seismic program are not as lucrative or instructive as anticipated; risk that the Company cannot fund its capital program from existing working capital and cashflow; risk that capital expenditures in 2022 are higher than anticipated; inability to meet production targets; unanticipated changes to legislation and the effect on the Company's operations. In addition, there are risks and uncertainties associated with oil and gas operations. Therefore the Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by these forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive.

Such forward-looking statements are based on certain assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances, including, but not limited to, that the Company is able to complete the installation of compression on the Songas infrastructure and the well workover program on the timeline and at the cost anticipated; that the Company is able to increase production volumes and capabilities through the Songas infrastructure; the ability of the Company to increase production as required to meet demand; that the Company will be able to negotiate additional gas sales contracts and other agreements; the ability of the Company to complete developments and increase its production capacity; the actual costs to complete the Company's workover program are in line with estimates; reservoir pressure declines, and demand for natural gas are in line with the Company's estimates; the Company is able to agree on commercial terms for future incremental gas sales and the Company can expand development beyond the existing Songas infrastructure and supply gas to the NNGI; the Company is able to negotiate an extension of the SS license; the Company's financial and operational results for 2021; the Company is able to fund its capital program from existing working capital; that the Company will have sufficient cash flow, working capital or other financial resources required to fund its capital and operating expenditures and requirements as needed; anticipated capital expenditures and production for 2022; the impact of the COVID-19 pandemic on the demand for and price of natural gas, volatility in financial markets, disruptions to global supply chains and the Company's business, operations, access to customers and suppliers, availability of employees to carry out day-to-day operations, and other resources; infrastructure capacity; commodity prices will not further deteriorate significantly; the ability of the Company to obtain equipment and services in a timely manner to carry out exploration, development and exploitation activities; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; the impact of increasing competition; conditions in general economic and financial markets; receipt of government and other regulatory approvals; effects of regulation by governmental agencies; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; and other matters.

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

This news release contains information that may be considered a financial outlook under applicable securities laws about the Company's anticipated capital expenditures for 2022. Such financial information has been prepared by management to provide an outlook of the Company's financial results and activities and may not be appropriate for other purposes. This information has been prepared based on a number of assumptions, risk factors, limitations and qualifications including those discussed in this news release. The actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein, and such variations may be material. The Company and management believe that the financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments. The financial outlook contained in this news release was made as of the date of this news release and the Company disclaims any intent or obligation to update publicly the news release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.