NEWS RELEASE

Orca Energy Group Inc.
Announces 2020 Year End Audited Financial Results

For Immediate Release

TORTOLA, BRITISH VIRGIN ISLANDS – April 21, 2020: Orca Energy Group Inc. ("**Orca**" or the "**Company**" and includes its subsidiaries and affiliates) (TSX-V: ORC.A, ORC.B) today announces its audited financial results for the year ended December 31, 2020. All dollar amounts are in United States dollars unless otherwise stated.

- Revenue decreased by 5% for Q4 2020 and by 9% for the year compared to the same prior year periods. The decreases are primarily a result of decreased sales to the Tanzanian Electric Supply Company Limited ("**TANESCO**") under the Portfolio Gas Sales Agreement ("**PGSA**") and a smaller current income tax adjustment due to increased capital expenditure and lower gross field revenue. Gas deliveries decreased by 11% for Q4 2020 and by 9% for the year compared to the same prior year periods. The decrease in revenue and gas delivery volumes for the year were primarily due to the increase in hydropower generated during the first eight months of the year as a result of higher than normal rainfall in 2020 compared to the prior year. The decrease in gas delivery volumes in Q4 2020 is primarily the result of lower nominations of gas volumes by TANESCO and the Tanzanian Production Development Corporation ("**TPDC**") through the National Natural Gas Infrastructure ("**NNGI**") compared to Q4 2019 as volumes delivered in Q4 2019 were the highest for any single quarter since production started in 2004. The decrease in volumes for Q4 2020 was partially offset by a 2% increase in the weighted average price of gas sold compared to Q4 2019.
- Net income attributable to shareholders decreased 42% for Q4 2020 and increased by 12% for the year compared to the same prior year periods. The decrease for Q4 2020 was primarily a consequence of the decrease in revenue and a decrease in the reversal of loss allowances related to the lower collection of arrears from TANESCO compared to Q4 2019. The increase in net income attributable to shareholders for the year was primarily the result of the increase in the reversal of loss allowances of $8.2 million, mainly due to increased collection of TANESCO arrears during the first nine months of 2020 and was also positively impacted by savings in general and administrative expenses and stock based compensation. The increase for the year was partially offset by the impairment of receivable as a result of the Tanzania Revenue Authority ("**TRA**") issuing an Agency Notice during the year obligating the Company's bank to release $5.3 million in favour of the TRA.
- Net cash flows from operating activities increased 283% for Q4 2020 and by 33% for the year compared to the same prior year periods. The increases are primarily a result of the collection of TANESCO arrears and changes in non-cash operating working capital associated with decreases in prepayments and in trade and other receivables.
- Adjusted funds flow from operations[(1)] decreased by 8% for Q4 2020 and by 9% for the year compared to the same prior year periods. The decreases are primarily a result of the decreases in revenue.
- Capital expenditures increased by 1,509% for Q4 2020 and by 551% for the year over the comparable prior year periods. The capital expenditures in 2020 primarily relate to the flowline decoupling construction and payments under the Compression Contract (as defined below). The capital expenditures in 2019 primarily relate to the refrigeration project for the Songas Limited ("**Songas**") infrastructure.
- The Company exited the period in a strong financial position with $74.2 million in working capital (December 31, 2019: $107.0 million), cash and cash equivalents of $104.2 million (December 31, 2019: $93.9 million), short-term investments of $ nil (December 31, 2019: $44.8 million) and long-term debt of $54.2 million (December 31, 2019: $54.1 million). The decrease in working capital and short-term investments was primarily related to the substantial issuer bid ("**SIB**") completed in March 2020.
- As at December 31, 2020 the current receivable from TANESCO was $ nil (December 31, 2019: $ nil). TANESCO's long-term trade receivable as at December 31, 2020 was $27.6 million with a provision of $27.6 million compared to $47.5 million (provision of $47.5 million) as at December 31, 2019. Subsequent to December 31, 2020 the Company has invoiced TANESCO $6.5 million for 2021 gas deliveries and TANESCO has paid the Company $7.9 million. TANESCO also paid the take or pay invoice of $5.0 million for the 2015-2016 contract year for gas to be taken by June 30, 2021.

(1) Adjusted funds flow from operations is a non-GAAP financial measure. See non-GAAP measures.

- Work began in 2020 on the $38.0 million compression contract for the Songas gas processing facility planned for installation in Q2 2022 (the "**Compression Contract**"). This will allow maximum production volumes of approximately 102 MMcfd to be sustained through the Songas infrastructure, with the possibility to expand well deliverability to 172 MMcfd by increasing the amount of gas currently being delivered through the NNGI. To date $24.7 million has been spent under the contract with forecast expenditures of $9.5 million in 2021, upon delivery and inspection of the equipment, and a further $3.8 million in 2022 following completion of installation and testing.
- On January 22, 2021 the Company announced the final results of an SIB initiated in December 2020 whereby the Company repurchased and cancelled 6,153,846 Class B Subordinate Voting Shares ("**Class B Shares**") at a price of CDN$6.50 per Class B Share representing an aggregate purchase price of CDN$40.0 million and 25.2% of the total number of the Company's issued and outstanding Class B Shares and 23.5% of the total number of the Company's issued and outstanding shares.
- On February 23, 2021 the Company declared a dividend of CDN$0.10 per share on each of its Class A Common Voting Shares ("**Class A Shares**") and Class B Shares for a total of $1.6 million to the holders of record as of March 31, 2021 paid on April 15, 2021.

Financial and Operating Highlights for the Three Months and Year Ended December 31, 2020

(Expressed in $'000 unless indicated otherwise)	Three Months ended December 31 2020	Three Months ended December 31 2019	% Change Q4/20 vs Q4/19	Year ended December 31 2020	Year ended December 31 2019	% Change Ytd/20 vs Ytd/19
OPERATING						
Daily average gas delivered and sold *(MMcfd)*	**62.8**	70.8	(11)%	**57.7**	63.1	(9)%
Industrial	**12.4**	13.1	(5)%	**12.7**	13.3	(5)%
Power	**50.4**	57.7	(13)%	**45.0**	49.8	(10)%
Average price *($/mcf)*						
Industrial	**7.56**	7.77	(3)%	**7.44**	7.97	(7)%
Power	**3.52**	3.44	2%	**3.47**	3.43	1%
Weighted average	**4.32**	4.24	2%	**4.34**	4.38	(1)%
Operating netback *($/mcf)* (1)	**3.22**	2.73	18%	**2.85**	2.63	8%
FINANCIAL						
Revenue	**21,980**	23,212	(5)%	**77,874**	85,595	(9)%
Net income attributable to shareholders	**7,375**	12,642	(42)%	**27,761**	24,718	12%
per share – basic and diluted *($)*	**0.28**	0.37	(24)%	**1.00**	0.71	41%
Net cash flows from operating activities	**19,369**	5,051	283%	**46,505**	34,873	33%
per share – basic and diluted *($)*	**0.74**	0.15	393%	**1.67**	1.00	67%
Adjusted funds flow from operations (1)	**12,348**	13,479	(8)%	**39,144**	43,213	(9)%
per share – basic and diluted *($)*	**0.47**	0.39	21%	**1.41**	1.24	14%
Capital expenditures	**16,315**	1,014	1,509%	**27,141**	4,171	551%
Weighted average Class A and Class B shares *('000)*	**26,138**	34,324	(24)%	**27,818**	34,931	(20)%

	As at December 31 2020	As at December 31 2019	% Change
Working capital (including cash)	**74,236**	106,972	(31)%
Cash and cash equivalents	**104,190**	93,899	11%
Investments in short-term bonds	**–**	44,756	(100)%
Long-term loan	**54,246**	54,057	0%
Outstanding shares *('000)*			
Class A	**1,750**	1,750	0%
Class B	**24,388**	32,557	(25)%
Total shares outstanding	**26,138**	34,307	(24)%

(1) Operating netback and adjusted funds flow from operations are non-GAAP financial measures. See non-GAAP Measures.

“**Jay Lyons, Interim Chief Executive Officer, commented:**

“Despite the challenges 2020 presented from a macro and operational perspective, we are very pleased with Orca’s performance during the period. The higher than normal rainfall for the first eight months of the year impacted our gas delivery volumes, as there was an increase in hydropower generation. However, during the last four months of the year our volumes returned to normal levels, which had a positive impact on our revenues and cash flows.

The construction of our $38 million compression project has started, with all long-lead items now ordered. We continue to target completion in June 2022. We are working closely with our partners, the Tanzanian Petroleum Development Corporation and Songas Limited, to ensure that production continues to meet demand going forward. The continued maintenance of a reliable gas supply from our Songo Songo field will be critical to sustaining economic growth in Tanzania, and we are proud of our role in ensuring the country’s energy security.

The overall objective of our business is to balance returns with the growth potential that we see in the Songo Songo field and we look forward to continuing our constructive dialogue with the Government of Tanzania in order to extend our licence beyond October 2026. This would allow us to partner, invest and support in the development of this important gas resource for the nation of Tanzania, as we have developed a deep and valuable understanding of the geology of the licence and remain committed to its development and optimization for all stakeholders.”

The complete Audited Consolidated Financial Statements and Notes and Management's Discussion & Analysis may be found on the Company’s website www.orcaexploration.com or on the Company's profile on SEDAR at www.sedar.com.

Reserve Report

The Company’s latest corporate reserve report is available on the Company's website (www.orcaenergygroup.com) or on the Company's profile on SEDAR at www.sedar.com.

Orca Energy Group Inc.

Orca Energy Group Inc. is an international public company engaged in natural gas 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 Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Abbreviations

Mcf	thousand cubic feet
MMcfd	million standard cubic feet per day

Non-GAAP Measures

The Company evaluates its performance using a number of non-GAAP (generally accepted accounting principles) measures. These non-GAAP measures are not standardized and therefore may not be comparable to similar measurements of other entities.

- Adjusted funds flow from operations represents net cash flows from operating activities less interest expense and reversal of loss allowances related to the collection of TANESCO arrears and a previously disputed Songas operatorship receivable before changes in non-cash working capital. Management uses this as a performance measure that represents the Company's ability to generate sufficient cash flow to fund capital expenditures and/or service debt.

	THREE MONTHS ENDED DECEMBER 31		YEAR ENDED DECEMBER 31	
$'000	**2020**	2019	**2020**	2019
Net cash flows from operating activities	**19,369**	5,051	**46,505**	34,873
Interest expense	**(2,370)**	(1,621)	**(7,887)**	(8,279)
Reversal of loss allowance – TANESCO arrears	**(3,478)**	(7,546)	**(19,905)**	(11,044)
Reversal of loss allowance – collection of disputed Songas receivables	**-**	-	**(1,046)**	-
Loss allowance - TRA	**5,337**	-	**5,337**	-
Changes in non-cash working capital	**(6,510)**	17,595	**16,140**	27,663
Adjusted funds flow from operations	**12,348**	13,479	**39,144**	43,213

- Operating netbacks represent the profit margin associated with the production and sale of gas and is calculated as revenues less processing and transportation tariffs, TPDC's revenue share, operating and distribution costs per one thousand standard cubic feet of gas sold. This is a key measure as it demonstrates the profit generated from each unit of production.

- Adjusted funds flow from operations per share is calculated on the basis of the adjusted funds flow from operations divided by the weighted average number of shares, similar to the calculation of earnings per share.

- Net cash flows from operating activities per share is calculated as net cash flows from operating activities divided by the weighted average number of shares, similar to the calculation of earnings per share.

to perform contractual obligations; failure to receive payments from TANESCO; risk that the potential financial solutions to resolve the TANESCO arrears are not implemented by the Tanzanian government; 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; risk that the Company will not be successful in appealing claims made by the Tanzanian Revenue Authority and may be required to pay additional taxes and penalties; 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 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; failure to install compression on the Songas infrastructure on the timeline anticipated; inability to extend the Company's license beyond 2026; risks associated with negotiating with foreign governments; and unanticipated changes to legislation and the effect on the Company's operations, including, but not limited to, the Act and the Natural Gas Pricing Regulation made under Sections 165 and 258(l) of the Act. 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 will be able to negotiate Additional Gas sales contracts in relation to the Additional Gas Plan 2; the ability of the Company to complete developments and increase its production capacity; the actual costs to complete the Company's development program are in line with estimates; the TPDC, the Ministry of Energy and Mines and the Company are able to agree on commercial terms for future incremental gas sales and the Company can expand Songo Songo development beyond the existing Songas infrastructure and supply gas to the NNGI; that there will continue to be no restrictions on the movement of cash from Mauritius or Tanzania; 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; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company will have adequate funding to continue operations; that the Company will successfully negotiate agreements; receipt of required regulatory approvals; the ability of the Company to increase production at a consistent rate; 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; future capital expenditures; 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; effects of regulation by governmental agencies; that the Company's appeal of various tax assessments will be successful; that the enactment of the Act in Tanzania will not impair the Company's rights under the PSA to develop and market natural gas in Tanzania; 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.