



ORCA ENERGY GROUP INC.

**MANAGEMENT PROXY CIRCULAR
AS OF MAY 18, 2023**

Solicitation of Proxies by Management

This management proxy circular (the "**Circular**") is furnished in connection with the solicitation of proxies by or on behalf of the management of Orca Energy Group Inc. ("**Orca**" or the "**Company**") to be used at the annual general meeting of holders ("**Shareholders**") of Class A Common Voting Shares (the "**Class A Shares**") and Class B Subordinate Voting Shares (the "**Class B Shares**", and together with the Class A Shares, the "**Shares**") in the capital of the Company (the "**Meeting**") to be held on the 21st day of June, 2023 at 10.00 a.m. (London time) at The Clermont, Victoria, 101 Buckingham Palace Road, London, England SW1W 0SJ and at any adjournment(s) thereof for the purposes set forth in the accompanying Notice of Annual General Meeting. The cost of this solicitation will be borne by the Company.

The board of directors of the Company (the "**Board**") has fixed the record date for the Meeting at the close of business on May 18, 2023 (the "**Record Date**"). Each Shareholder is entitled to one vote for each Class B Share and 20 votes for each Class A Share shown as registered in the Shareholder's name on the list of Shareholders prepared as of the Record Date. However, in the event of any transfer of Shares by any such Shareholder after such date, the transferee is entitled to vote those Shares if the transferee produces properly endorsed share certificates or otherwise establishes that the transferee owns the Shares, and requests TSX Trust Company, as transfer agent, at Telus Sky Building, 2110, 685 Centre Street SW, Calgary, AB T2G 1S5 or 301, 100 Adelaide Street West, Toronto, ON M5H 4H1 include the transferee's name in the Shareholders' list not later than ten days before the Meeting.

Unless otherwise stated, all information in this Circular is as at May 18, 2023.

Appointment of Proxyholders and Revocation of Proxies

The persons named in the accompanying form of proxy ("Form of Proxy") are directors and/or officers of the Company. A Shareholder has the right to appoint a person, who need not be a Shareholder, other than the persons designated in the accompanying Form of Proxy, to attend and act on behalf of the Shareholder at the Meeting. To exercise this right, a Shareholder must insert such other person's name in the blank space provided in the accompanying Form of Proxy.

To be valid, a proxy must be dated and signed by the Shareholder or the Shareholder's attorney authorized in writing. The proxy, to be acted upon, must be deposited with the Company by returning your signed proxy in the envelope provided to TSX Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attention: Proxy Department, by facsimile to 416-595-9593 or at www.meeting-vote.com, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment(s) thereof.

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing (including another Form of Proxy) executed by the Shareholder or by the Shareholder's attorney authorized in writing with the Secretary of the Company at 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1 Attention: David W. Ross at any time up to and including the last business day prior to the day the Meeting or any adjournment thereof is to be held, or with the Chairman of the Meeting on the day of the Meeting at any time before it is exercised on any particular matter or in any other manner permitted by law including attending and participating in the Meeting in person.

Voting by Proxies

On any ballot that may be called for at the Meeting, the Shares represented by the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder indicated thereon. **In the absence of such instructions, the Shares will be voted in favour of each matter referred to in this Circular.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual General Meeting, and with respect to any other matter which may properly come before the Meeting. As of the date of this Circular, management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Form of Proxy to vote on such other business in accordance with their judgment.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of them do not hold Shares in their own name. Shareholders who do not hold Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of Orca. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The Form of Proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered Shareholders by Orca. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their Shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the accompanying Form of Proxy and return the same to their broker (or the broker's agent), in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of Shares. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

The Company is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders, including Beneficial Shareholders. The Company will be delivering proxy-related materials to non-objecting Beneficial Shareholders with the assistance of Broadridge and the non-objecting Beneficial Shareholder's intermediary, and the Company intends to pay for the costs of an intermediary to deliver proxy related materials to objecting Beneficial Shareholders.

Voting Shares and Principal Holder

Authorized Share Capital

The authorized share capital of Orca consists of 50,000,000 Class A Shares, 100,000,000 Class B Shares and 100,000,000 First Preferred Shares. The following is a description of the material terms of the Class A Shares and the Class B Shares. There are no First Preferred Shares outstanding.

Class A Common Voting Shares

The holders of Class A Shares are entitled to 20 votes in respect of each Class A Share at meetings of the holders of Class A Shares, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any other class of shares entitled to receive assets of the Company in priority or rateably with the holders of Class A Shares, to participate rateably with the holders of Class B Shares in any distribution of the assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. The Class A Shares are convertible at any time at the option of the holder into Class B Shares on a one-for-one basis.

Class B Subordinate Voting Shares

The holders of Class B Shares are entitled to one vote in respect of each Class B Share at meetings of the holders of Class B Shares, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any other class of shares entitled to receive assets of the Company in priority or rateably with the holders of Class B Shares, to participate rateably with the holders of Class A Shares in any distribution of the assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

Subject to the terms and conditions of conversion specified in the articles of the Company, the Class B Shares are convertible into Class A Shares on a one for one basis if an offer is made to purchase Class A Shares that: (i) must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Class A Shares are listed, be made to all or substantially all of the holders of Class A Shares; and (ii) is not made concurrently with an offer to purchase Class B Shares that is identical to the offer to purchase Class A Shares and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Class A Shares. The conversion right does not come into effect under certain events specified in the memorandum of association of the Company, including the delivery to the Company's transfer agent and to the Secretary of the Company of a certificate signed by one or more Shareholders owning more than 50% of the then outstanding Class A Shares.

Outstanding Share Capital

The number of Shares entitled to be voted on each matter to be acted on at the Meeting as at the Record Date is 1,750,495 Class A Shares (65.9% of voting rights) and 18,091,714 Class B Shares (34.1% of voting rights). Each Shareholder is entitled to one vote for each Class B Share and 20 votes for each Class A Share shown as registered in the Shareholder's name on the list of Shareholders prepared as of the Record Date. However, in the event of any transfer of Shares by any such Shareholder after such date, the transferee is entitled to vote those Shares if the transferee produces properly endorsed share certificates or otherwise establishes that the transferee owns the Shares, and requests that TSX Trust Company, as transfer agent, at Telus Sky Building, 2110, 685 Centre Street SW, Calgary, AB T2G 1S5 or 301, 100 Adelaide Street West, Toronto, ON M5H 4H1 include the transferee's name in the Shareholders' list not later than ten days before the Meeting.

To the knowledge of the directors and officers of the Company as at the Record Date, the only person who beneficially owns, controls or directs, directly or indirectly, Shares carrying more than 10% of the votes attached to all the Shares entitled to be voted at the Meeting is as follows:

Name of Shareholder	Number of Shares	% of Class
Shaymar Limited ⁽¹⁾	1,741,975 Class A Shares	99.51%
	3,181,092 Class B Shares	17.58%

Note:

- (1) Shaymar Limited controls 71.6% of the total voting rights of the Company. Information on Shaymar Limited's holdings is based on filings made by it on the System for Electronic Disclosure by Insiders as of April 3, 2008 for the Class A Shares and January 22, 2021 for the Class B Shares.

MATTERS TO BE ACTED ON AT THE MEETING

Presentation of Consolidated Financial Statements

At the Meeting, Shareholders will receive the audited consolidated financial statements of the Company for the year ended December 31, 2022 and the auditor's report on such statements, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Fixing the number of Directors to be Elected at the Meeting

At the Meeting, it is proposed that the number of directors of the Company to be elected at the Meeting be set at five (5), as may be adjusted between Shareholder meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors of the Company to be elected at the Meeting at five (5).

Election of Directors

The following table lists certain information concerning the persons proposed to be nominated for election as directors of the Company at the Meeting. The information as to Shares has been furnished by the respective nominees individually.

Name and Jurisdiction of Residence	Present Positions and Offices With the Company	Director Since	Principal Occupation for Last Five Years	Number of Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly as at May 18, 2023
David W. Ross ^{(1), (2), (3)} Calgary, Alberta, Canada	Chair of the Board and Secretary	November 14, 2006	Counsel to Burnet, Duckworth & Palmer LLP.	NIL
Jay C. Lyons ^{(3), (4)} Vancouver, British Columbia, Canada	Director and Chief Executive Officer	May 29, 2019	Chief Executive Officer of the Company since June 14, 2021 (and Interim Chief Executive Officer of the Company since September 16, 2020). Prior thereto, Mr. Lyons was a Private Investor. Mr. Lyons has considerable experience with the oil and gas industries of Canada and the United States. He has worked for both private and public companies in the upstream and downstream sectors.	50 Class A Shares and 20,000 Class B Shares
Linda Beal ^{(1), (2)} Tadworth, United Kingdom	Director	May 29, 2019	Partner at Linda Beal Consulting LLP from December 9, 2013 to present. Non-Executive Director of Tax Systems Plc from July 26, 2016 to March 25, 2019. Director of Auxilia Limited from May 8, 2017 to present. Non-Executive Director of San Leon Energy plc from January 15, 2018 to	NIL

Name and Jurisdiction of Residence	Present Positions and Offices With the Company	Director Since	Principal Occupation for Last Five Years	Number of Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly as at May 18, 2023
			December 4, 2020. Non-Executive Director of Kropz plc from November 26, 2018 to present. Non-Executive Director of Aminex PLC from January 9, 2019 to July 23, 2020. Non-Executive Director of FlowStream Royalties Ltd. from April 2, 2019 to October 30, 2019. Non-Executive Director of Global Pricing Innovations Limited from June 7, 2019 to present. Non-Executive Director of i3 Energy Plc from September 13, 2019 to present. Non-Executive Director of Airnow Plc from April 13, 2021 to present. Non-Executive Director of Hurricane Energy Plc from May 23, 2022 to present.	
Dr. Frannie Léautier ^{(1), (4)} Washington, DC, United States of America	Director	September 3, 2019	Senior Partner, SouthBridge Group and CEO SouthBridge Investments from July 1, 2020 to present. Non-Executive director of SouthBridge Group from July 1, 2018 to June 30, 2020. Non-Executive Director, AZA Finance from April 30, 2020 to April 2023. Board Member United Nations Foundation from October 29, 2019 to present. Non-Executive Director and Chair of the Board at, Norsad Finance from June 1, 2020 to present. Non-Executive Director and Chair of the Board FSD Africa and FSD Africa Investments. Non-Executive Director at Les Eaux Minérales d'Oulmes. Non-Executive Director, World Resources Institute from January 2022 to April 2023. Trustee at ODI. Non-Executive Director African Risk Capacity Ltd. from August 30, 2018 to July 30, 2020. Director at Large, African Economic Research Consortium (AERC) from April 1, 2014 to April 30, 2020. Advisory Board Member, Institute for Security Studies, ISS, October 1, 2015 to October 30, 2019.	NIL
Lisa Mitchell West Sussex, United Kingdom	Director and Chief Financial Officer	June 8, 2022	Chief Financial Officer of the Company since November 1, 2021. Prior to that Ms. Mitchell was Chief Financial Officer of San Leon Energy plc and Lekoil Limited, both AIM quoted companies on the London Stock Exchange. Ms. Mitchell is also a Non-executive Director of Pharos Energy plc, a Financial Times Stock Exchange listed company and Chair of the audit committee.	NIL

Notes:

- (1) The current members of the Company's audit and risk committee are Ms. Beal, Mr. Ross, and Dr. Léautier (the "Audit Committee").

- (2) The current members of the Company's remuneration committee are Ms. Beal and Mr. Ross (the "**Remuneration Committee**").
- (3) The current members of the Company's reserves committee are Mr. Lyons and Mr. Ross (the "**Reserves Committee**").
- (4) The current members of the Company's environment, social and governance committee are Mr. Lyons and Dr. Léautier (the "**ESG Committee**").

As at the Record Date, the directors and executive officers of the Company, as a group, beneficially owned or controlled or directed, directly or indirectly, an aggregate of 50 Class A Shares and 20,000 Class B Shares being less than 0.003% of the outstanding Class A Shares and 0.15% of the Class B Shares, respectively.

Unless otherwise directed, it is the intention of management designees, if named as proxy, to vote "FOR" the election of the above persons to the Board. Management does not anticipate that any of the nominees for election as directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is elected or appointed, unless his office is earlier vacated.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To our knowledge, other than as set forth below, no proposed director: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Company) that: (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days; (b) was subject to an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, which resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (c) while that person was acting in the capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (ii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; or (iii) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Lisa Mitchell resigned as a director of Wiluna Mining Corporation limited ("**Wiluna**") on May 9, 2022. On July 21, 2022, the directors of Wiluna appointed FTI Consulting as Voluntary Administrators to Wiluna Mining Corporation Limited and related entities.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote proxies in favour of an ordinary resolution to appoint the firm of KPMG LLP, Chartered Professional Accountants, to serve as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP has served as the independent auditor for the Company since 2004.

COMPENSATION DISCUSSION & ANALYSIS

General

The following sets forth the compensation of the Company's Chief Executive Officer ("**CEO**"), the Company's Chief Financial Officer and each of the Company's three other most highly compensated individuals who were serving as executive officers of the Company or in a similar capacity at December 31, 2022 and whose total compensation was more than C\$150,000 (collectively, the "**Named Executive Officers**" or "**NEOs**"). Included is a discussion of the Company's objectives and goals relating to employee compensation and the elements of the Company's executive compensation.

Introduction and Objectives

The objective of the Company's compensation program is to attract, retain and motivate high-quality employees and provide a sense of proprietorship over the business and create an environment conducive for employees to work as a team. The compensation philosophy of the Company is to reward Named Executive Officers and other employees based on achieving personal objectives and objectives of the Company. By tying compensation rewards to achievements, all salaried employees place an element of their total compensation at risk.

Composition and Role of the Remuneration Committee

The Remuneration Committee is responsible for overseeing and making decisions regarding the Company's compensation program. The Remuneration Committee consults with the Company's management and compensation consultants as necessary.

For the year ended December 31, 2022, the Remuneration Committee consisted of Mr. Ross and Ms. Beal. A majority of the members of the Remuneration Committee are required to be independent, as such term is defined for purposes of National Policy 58-201 – *Corporate Governance Guidelines*. Ms. Beal and Mr. Ross are both independent members of the Board.

Mr. Ross and Ms. Beal have numerous years' experience acting as directors of public and private companies – including participating in compensation matters and, in respect of Mr. Ross, acting as corporate secretary.

Compensation Program Design

Total compensation for all Named Executive Officers consists of base and variable compensation as well as long-term incentives. Variable compensation is considered an integral element of total compensation, and the combination of base compensation and variable compensation – referred to as "target total cash compensation" – is the basis on which market competitiveness is evaluated.

The compensation program is designed to reward performance based on the achievement of corporate and personal performance goals and objectives and to sit in the mid-range of comparable companies in the market in which the Company competes for talent. Base and variable compensation primarily recognises the value of the individual to the Company and rewards recent performance, while long-term incentives encourage the delivery of results that improve the Company's share price over a longer period of time as well as serves as an employment retention mechanism.

Elements of Compensation Program

Base Compensation

From time to time the Remuneration Committee reviews compensation information available on a group of businesses of comparable size that are also in the oil and gas industry and often operating internationally. The Company then extrapolates from that information a mid-range between the 50th percentile and the 75th percentile of the average compensation for comparable positions. Because of the high cost of such reviews, the Company does not complete these reviews every year. In years when such reviews are not undertaken, the Company uses the last salary levels and may add an inflation factor, and also makes adjustments for changes to job description or responsibility, if applicable. The Company's last review of comparable companies was undertaken in 2020, and the comparable companies included the following:

Orca Comparable Group of Businesses		
Africa Oil Corp	Sound Energy Plc	ShaMaran Petroleum Corp.
TransGlobe Energy Corporation	Trinity Exploration and Production Plc	Oryx Petroleum Corporation Limited
Phoenix Global Resources Plc	Savannah Petroleum Plc	Vaalco Energy Inc.
PetroNor E&P Ltd.	Wentworth Resources Plc	SDX Energy Plc

The base compensation for all NEOs was not reviewed against a benchmark study in 2021 or 2022.

Variable Compensation

Named Executive Officers

For the Named Executive Officers as well as other employees, the approach of the Remuneration Committee is to evaluate whether such employees have achieved their personal objectives and whether the Company has achieved its objectives, and then to calculate variable compensation as discussed below. This is intended to be a discretionary approach rather than a mathematical one, and the Remuneration Committee reserves the right to use its discretion to decide what portion, if any, of variable compensation will be awarded if personal and corporate objectives are only partially achieved or if efforts to achieve the objectives are ongoing.

Accordingly, for 2022, each of the NEO's was assigned a "target variable salary award" – essentially the maximum award that could be paid to such employee under normal circumstances – and then 50% of the target be awarded as variable compensation having regard to the corporate objectives and 50% of the target may be awarded based on personal objectives relevant to that person, subject to the overall discretion of the Remuneration Committee.

The following were the principal corporate objectives discussed for 2022:

- ensure that there is a corporate focus on health and safety with adequate training and communication with the goal of maintaining a 100% environmental and safety record;
- manage the completion of the compression system and planned work overs on the Company's asset in Tanzania with the goal of avoiding changes to the Company's forecasts with respect to costs and completion date;
- reevaluate the Songo Songo subsurface and prepare a development plan (including current proposed workovers of the onshore wells) through to 2026 and beyond, pending the outcome of license extension negotiations;
- ensure general and administrative costs (excluding stock-based compensation) do not exceed the Company's approved budget;
- manage cash flows to ensure the Company has adequate funding for the approved capex program and to maintain its current dividend;
- formulate an environmental, social and corporate governance strategy; and
- if initiated by the Government of Tanzania, negotiate a production sharing agreement that fundamentally preserves the Company's economic interest in the Songo Songo licence.

The Remuneration Committee considered variable compensation for 2022 and 50% of the NEO's variable compensation was based on achieving personal objectives as agreed to by them and the Board. In determining the extent to which individual objectives had been achieved, and the value of the individual's contribution in achieving them, all NEOs and senior management were invited to report to the Remuneration Committee and offer variable incentive proposals. These proposals were summarised and presented to the Remuneration Committee for their consideration. See "*Compensation Discussion and Analysis – Composition and Role of the Remuneration Committee*".

NEO personal objectives must be achievable, measurable and significant in the opinion of the Remuneration Committee. The following are a sample of the personal objectives discussed with the NEOs and senior management for 2022:

- ensure that there is a corporate focus on health and safety with adequate training and communication with the goal of maintaining a 100% environmental and safety record;
- ensure compliance with all contractual reporting requirements;
- continue to develop relationships with Governments, midstream and downstream players;
- progress and control the Songo Songo compression, workover and seismic acquisition projects to meet agreed upon project milestones and forecasted costs;
- ensure the Company and its subsidiaries remain compliant with all existing and new regulations;
- improve communications with shareholders, potential investors and the financial participants in North America; and
- improve technical assurance processes across the Company with a view of developing an improved business development plan for Tanzania.

Long Term Incentives

From 2018 to 2020, the long-term incentive program was comprised of option-based awards, being stock appreciation rights ("**Stock Appreciation Rights**" or "**SARs**") and restricted stock unit awards ("**Restricted Stock Units**" or "**RSUs**"). These awards were granted to the directors, Named Executive Officers and other employees, and, as elaborated below, sought to align the interest of the grantees with those of the Shareholders. In September of 2022, the Company's long term incentive cash award plan (the "**Plan**") commenced in order to align the compensation strategy with the Company's current objectives. Details of the Plan are elaborated below. See "*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives – Long Term Awards*".

Option-based Awards

Long Term Incentive Plan - SARs and RSUs

During 2018, the Board adopted a long term incentive plan (the "**LTIP**") governing the currently outstanding, and future issuance of, Stock Appreciation Rights and Restricted Stock Units to certain services providers (as defined in the LTIP).

The SARs are subject to the provisions of the LTIP and the terms of an agreement between the Company and the grantee. Each grant of SARs provides the grantee with the entitlement to receive, on exercise, a cash payment in the amount determined by multiplying:

- i. the amount of the fair market value of one Class B Share on the date of exercise of such Stock Appreciation Right exceeds the relevant Base Price (defined in the agreement between the Company and the grantee), by
- ii. the number of Class B Shares in respect of which such Stock Appreciation Rights are so exercised multiplied by the Adjustment Ratio (defined in the LTIP).

Unless otherwise agreed to, SARs vest as to one third of the number of SARs granted on the first anniversary of the date of grant and as to one third of the number of SARs granted on the anniversary of the date of grant for each of the next two succeeding years. Subject to the provisions of the LTIP, SARs may be exercised from time to time during the exercise period or periods specified in the agreement provided at the time of grant.

Each grant of RSUs provides the grantee with the entitlement to receive on exercise of an RSU a cash payment (less any applicable withholding taxes or other deductions required by law) equal to the value of a Class B Share at the time of exercise of the RSU less the "**Restricted Unit Price**" (as defined in the LTIP) in respect of such RSU. The RSUs are subject to the provisions of the LTIP and the terms of an agreement between the Company and the grantee, which determines, *inter alia*, the vesting provisions of each RSU. The terms of the LTIP provide for a nominal exercise price to be paid prior to exercise to mitigate certain adverse tax consequences associated with this type of compensation award for short term incentive purposes. Under the LTIP the number of RSUs granted and outstanding cannot at any time exceed 3,500,000 RSUs.

The purpose of the LTIP is to retain and attract qualified service providers, to promote a proprietary interest in the Company, to encourage such persons to remain in the employ or service of the Company and to focus management of the Company on operating and financial performance and total long-term shareholder return. The Company does not take in to account previous grants made to individual grantees when considering making new grants.

The Company did not grant and SARs or RSUs to NEOs during the years ended December 31, 2020 to December 31, 2022 and as at December 31, 2022, there were 14,000 SARs and 2,833 RSUs outstanding.

Long Term Awards

Long Term Incentive Cash Award Plan

Given the Company's business objective is to continue and expand its operations in Tanzania, in 2022 the Remuneration Committee completed a review of the LTIP for the 2022 year and subsequent years in order to align the Company's compensation strategy with this business objective. The Remuneration Committee recommended

to the Board, and the Board subsequently approved, to not continue with the issuance of SARs and RSUs, but rather to substitute these with performance based long term incentive cash awards ("**Retention Awards**"). The details of the Retention Awards are set out in the Plan, which commenced in September 2022, and is summarized below. The purpose of the Retention Awards is to provide an incentive for employees and directors to remain with the Company during this period of time from 2022 to 2026, to coincide the current expiry date of the Songo Songo license in 2026.

The Plan has the following provisions:

1. Any amounts (each a "**Retention Award Amount**") awarded and/or payable to employees and directors ("**Eligible Participants**") under the Plan will be determined by and subject to the approval of the Board. For certainty, if the Board does not approve the payment of a Retention Award Amount, then such Retention Award Amounts will not be payable under the Plan.
2. Eligible Participants will be separated into two categories, with the category 1 participants consisting of directors and individuals in executive officer positions (each a "**Category 1 Participant**") and all other Eligible Participants are category 2 participants (each a "**Category 2 Participant**").
3. The aggregate Retention Award Amount awarded to any Eligible Participant will not be less than: (a) for employees, 100% of the employee's base salary (or a multiple thereof) for the year-ended December 31, 2022; and (b) for directors, the annual remuneration they will receive in their capacity as a director of the Company (or a multiple thereof) for the year-ended December 31, 2022.
4. In order for a Retention Award Amount to vest and become payable to an Eligible Participant, the Eligible Participant must meet the applicable Time Vesting Condition and Performance Vesting Condition (as defined and set out in sections 5 and 6 of the Plan) for each such set Retention Award Amount. Generally, the Time Vesting Condition sets out the time period for which the Eligible Participant must still be an employee or director and the Performance Vesting Condition will be determined by the Board each year and disclosed to each Eligible Participant prior to November 30 of such year. The Board may, at any time, in its sole discretion, accelerate a Time Vesting Condition or waive a Performance Vesting Condition in respect of a Retention Award Amount.
5. The payment amounts for each category of Eligible Participants is set out as follows and detailed further in section 5 and 6 of the Plan, as applicable:

	Category 1 Participant	Category 2 Participant
Time Period	Payment Amount	Payment Amount
October 1 to September 30, 2023	10% of Retention Award Amount	20% of Retention Award Amount
October 1 to September 30, 2024	10% of Retention Award Amount	20% of Retention Award Amount
October 1 to September 30, 2025	10% of Retention Award Amount	20% of Retention Award Amount
October 1 to September 30, 2026	70% of Retention Award Amount	40% of Retention Award Amount

6. The award payment date for all Retention Awards for all Eligible Participants is September 30, 2026 (the "**Award Payment Date**"). If an employee or director ceases to be an employee or resigns as a director for any reason (except as set out in section 11 of the Plan) prior to the Award Payment Date, the employee or director will cease to be an Eligible Participant and will forfeit their eligibility for any Retention Award Amounts payable under the Plan. The Board does have sole discretion to waive this requirement for good leavers to remain Eligible Participants.
7. If there is a Change of Control (as defined in the Plan), the Board may, in its sole discretion, determine to accelerate the applicable Award Payment Date (to the extent a Retention Award Amount has vested in accordance with sections 5 or 6 of the Plan, as applicable) such that the Retention Award Amount will be payable, upon such Change of Control.
8. The Plan will expire on, and no Retention Award Amounts are payable under the Plan after September 30, 2026.

Other Compensation Matters

The Remuneration Committee is the administrator of the Company's compensation program and considers the risks related to the Company's compensation practices on an ongoing basis. The Remuneration Committee does not believe that these practices encourage inappropriate or excessive risk-taking by any of the NEOs or are reasonably likely to have a material adverse effect on the Company.

Subject to compliance with insider trading rules and the Company's black out policy, NEOs and directors are not prohibited by any written policy of the Company from purchasing financial instruments which could hedge or offset a decrease in market value of equity securities granted as compensation or otherwise held, directly or indirectly, by an NEO or director.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the compensation of the Company's Named Executive Officers for the years ended December 31, 2022, 2021 and 2020, as applicable, in US dollars.

Name and principal position	Year	Salary ⁽¹⁾ (US\$)	Share-based awards ⁽²⁾ (US\$)	Option-based awards ⁽²⁾ (US\$)	Non-equity incentive plan compensation (US\$)		Pension value (US\$)	All other compensation (US\$) ⁽⁵⁾	Total compensation (US\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁴⁾			
Jay C. Lyons Chief Executive Officer ⁽⁶⁾	2022	400,000	NIL	NIL	168,000	1,200,000	NIL	10,522	1,778,522
	2021	400,000	NIL	NIL	120,000	NIL	NIL	21,482	541,482
	2020	116,667	NIL	NIL	29,167	NIL	NIL	70,833	216,667
Lisa Mitchell Chief Financial Officer ⁽⁷⁾	2022	309,030	NIL	NIL	112,219	712,500	NIL	NIL	1,135,326
	2021	55,586	NIL	NIL	16,875	NIL	NIL	NIL	72,461
	2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ewen Denning, Chief Operating Officer ⁽⁸⁾	2022	96,171	NIL	NIL	30,844	616,875	NIL	NIL	743,890
	2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Andy J Hanna, Managing Director, PanAfrican Energy Tanzania Limited	2022	311,935	NIL	NIL	134,641	832,603	NIL	215,479	1,494,657
	2021	362,084	NIL	NIL	89,921	NIL	NIL	141,765	593,770
	2020	309,434	NIL	NIL	102,000	NIL	NIL	163,362	574,796
Lloyd Herrick, Advisor to Board and Management	2022	400,000	NIL	NIL	NIL	NIL	NIL	NIL	400,000
	2021	375,000	NIL	NIL	NIL	NIL	NIL	NIL	375,000
	2020	88,468	NIL	NIL	NIL	NIL	NIL	NIL	88,468

Notes:

- (1) The 2022 salaries paid to Ms. Mitchell, Mr. Denning and Mr. Hanna were converted to US dollars from British pounds based on the monthly exchange rates at the time the payments were recorded in the accounts of the Company. The average of the rates used were £1.00 = US\$1.24 for Ms. Mitchell, £1.00 = US\$1.17 for Mr. Denning and £1.00 = US\$1.28 for Mr. Hanna.

- (2) There were no share-based awards or option-based awards granted to any NEO for the years ended December 31, 2020, 2021 and 2022.
- (3) Reflects cash bonuses earned in respect of 2020, 2021 and 2022. The cash bonus payments relating to 2020 performance were not reflected in the 2020 financial statements as they were approved and paid in 2021 after approval of the 2020 financial results. The cash bonus payments relating to 2021 performance were not reflected in the 2021 financial statements as they were approved in 2022 after approval of the 2021 financial results. The cash bonus payments relating to 2022 performance were not reflected in the 2022 financial statements as they were approved and paid in 2023 after approval of the 2022 financial results. The 2022 cash bonus payments were approved in British pounds and were converted to US dollars at the rate of £1.00 = US\$1.25.
- (4) These amounts relate to Retention Awards that were granted under the Plan during the year ended December 31, 2022. Mr. Lyons' Retention Award Amount granted during the year end December 31, 2022 was calculated by multiplying his December 31, 2022 year end gross salary by three (3) times. Ms. Mitchell, Mr. Denning and Mr. Hanna's Retention Award Amounts granted during the year ended December 31, 2022 were calculated by multiplying their respective December 31, 2022 year end gross salaries by two (2) times. The multipliers were determined according to scope and responsibility of each role, in order to retain individuals of the highest calibre and experience who bring independent views to the development of policy, strategic decisions and governance of the Company. Retention Award Amounts were granted in British pounds to Ms. Mitchell, Mr. Denning and Mr. Hanna and were converted to US dollars at the rate of £1.00 = US\$1.25. In the case of Mr. Hanna, the Retention Award Amount is inclusive of the Tanzanian taxes which are paid by the Company on his behalf, pursuant to the terms of his employment agreement. Retention Award's are subject to certain vesting conditions as described in the Plan and if the individuals meet all requirements, the Award Payment Date for all Retention Awards for all Eligible Participants is September 30, 2026. See "*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives – Long Term Awards*" for more information.
- (5) For Mr. Hanna, these amounts represent Tanzanian taxes arising on Mr. Hanna's salaries that the Company paid on his behalf pursuant to the terms of his employment agreement. Additionally, these amounts include in 2022 US\$16,934 (2021: US\$33,866) being the additional benefit that has accrued as a consequence of the adjustment to the exercise price for both SARs and RSUs to reflect the dividends which have been paid which were not recognized in the initial fair valuation at the date of the award. For Mr. Lyons, the amount in 2020 represents director fees earned by Mr. Lyons in his capacity as a director of the Company before being appointed Interim Chief Executive Officer of the Company and in 2022 US\$13,720 (2021: US\$27,440) being the additional benefit that has accrued as a consequence of the adjustment to the exercise price for both SARs and RSUs to reflect the dividends which have been paid which were not recognized in the initial fair valuation at the date of the award.
- (6) Mr. Lyons was appointed as the Chief Executive Officer on June 15, 2021. During 2021 and 2022, Mr. Lyons received no compensation for his role as a director of the Company.
- (7) Ms. Mitchell was appointed as the Chief Financial Officer effective as of November 1, 2021. Ms. Mitchell received a total compensation of US\$72,461 during the year ended December 31, 2021. During 2022, Ms. Mitchell received no compensation for her role as a director of the Company.
- (8) Mr. Denning was appointed as the Chief Operating Officer effective as of September 1, 2022. Mr. Denning's annual base salary for the year ended December 31, 2022, converted from British pounds at a rate of £1.00 = US\$1.25 was US\$308,438.

Outstanding Share-Based Awards and Option-Based Awards

None of the Named Executive Officers had any outstanding option-based awards or share-based awards outstanding at the end of the year ended December 31, 2022.

Incentive Plan Awards – Value Vested or Earned During 2022

The following table sets forth for each Named Executive Officer the value of option-based awards and share-based awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022 in US dollars.

Name	Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ (US\$)	Share-based awards – Value vested during the year (US\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (US\$) ⁽³⁾
Jay C. Lyons	23,432	NIL	168,000
Lisa Mitchell	NIL	NIL	112,219
Andy Hanna	103,035	NIL	134,641
Ewen Denning	NIL	NIL	30,844

Name	Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ (US\$)	Share-based awards – Value vested during the year (US\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (US\$) ⁽³⁾
Lloyd Herrick	NIL	NIL	NIL

Notes:

- (1) All option-based awards were granted and are payable in Canadian dollars. There were no share-based awards that vested during the year ended December 31, 2022 in respect of any NEO.
- (2) The values in the above table with respect to Mr. Lyons were converted from Canadian dollars to US dollars at an exchange rate of C\$1.00 = US\$0.7803, being the exchange rate at the time of vesting. Calculated based on the number of SARs and RSUs vested in the year multiplied by difference between the market price of the Class B Shares at the vesting date and the exercise price on the vesting date of the SARs or RSUs. The exercise price having been reduced by C\$0.96 with respect to the dividends declared between the date of grant and time of vesting. The values in the above table with respect to Mr. Hanna were converted from Canadian dollars to US dollars at an exchange rate of C\$1.00 = US\$0.7937, being the exchange rate at the time of vesting. Calculated based on the number of SARs and RSUs vested in the year multiplied by difference between the market price of the Class B Shares at the vesting date and the exercise price on the vesting date of the SARs or RSUs. The exercise price having been reduced by C\$0.96 with respect to the dividends declared between the date of grant and time of vesting.
- (3) Reflects cash bonus payments relating to 2022 performance which were not reflected in the 2022 financial statements as they were approved and paid in 2023 after approval of the 2022 financial results. There were no Retention Awards that vested during the year ended December 31, 2022 in respect of any NEO.

Employment, Consulting and Management Agreements – Termination and Change of Control Benefits

None of the contracts governing the services provided by Named Executive Officers provide for payments upon a change of control; however, any unvested SARs awarded to such officers will vest upon a change of control and the Board may, in its sole discretion, determine to accelerate the applicable Award Payment Date of a Retention Award (to the extent a Retention Award Amount has vested in accordance with sections 5 or 6 of the Plan, as applicable) such that the Retention Award Amount will be payable, upon such change of control.

Mr. Hanna's employment contract provides that if within twelve (12) months following a change of control: (i) Mr. Hanna leaves his employment by reason of a material or detrimental change to his status or conditions of employment; or (ii) the Company terminates Mr. Hanna's employment (other than for fraud or other exceptions specified in his employment contract) without giving him six (6) months' notice, then Mr. Hanna can elect within seven (7) days of leaving his employment to be paid a sum equal to twelve (12) months' salary and his last annual bonus.

Mr. Lyons was appointed as Interim Chief Executive Officer on September 16, 2020, and on June 14, 2021, Mr. Lyons was appointed Chief Executive Officer. The Company may, in its absolute discretion, immediately terminate the contract governing the services of Mr. Lyons employment at any time without just cause for any reason. If the employment of Mr. Lyons is terminated without just cause Mr. Lyons will be receive a severance payment of US\$400,000.

Ms. Mitchell was appointed as Chief Financial Officer on November 1, 2021. The contract governing the services of Ms. Mitchell provide for notice of termination of five (5) months or payment in lieu of notice equal to five (5) months' base salary which would equal US\$148,000 plus the value of any benefits in lieu of all or any part of the unexpired notice period (or a combination of notice and pay in lieu of notice).

Mr. Denning was appointed as Chief Operating Officer on September 1, 2022. The contract governing the services of Mr. Denning provide for notice of termination of six (6) months or payment in lieu of notice equal to six (6) months' base salary which would equal US\$154,219 plus the value of any benefits in lieu of all or any part of the unexpired notice period (or a combination of notice and pay in lieu of notice).

The contract governing the services of Mr. Hanna is between Mr. Hanna, as employee, and PanAfrican Energy Tanzania Limited, a subsidiary of the Company, as employer. Mr. Hanna's contract provides for working notice of termination of six (6) months or payment in lieu of notice equal to six (6) months' base salary which would equal US\$208,572.

Mr. Herrick was appointed as an advisor to the Company's Board and management on October 16, 2020 and the Company entered into a formal contract with Mr. Herrick in 2022. On termination, fees that have accrued up to

the date of termination are payable together with any outstanding expenses. There are no contractual provisions for termination payments in Mr. Herrick's advising contract.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth for each director who is not also a Named Executive Officer all compensation received for the year ended December 31, 2022 in US dollars.

Name	Fees earned ⁽¹⁾ (US\$)	Share-based awards ⁽²⁾ (US\$)	Option-based awards ⁽²⁾ (US\$)	Non-equity incentive plan compensation ⁽³⁾ (US\$)	Pension value ⁽⁴⁾ (US\$)	All other compensation ⁽⁵⁾ (US\$)	Total (US\$)
David W. Ross	200,000	NIL	NIL	300,000	NIL	5,445	505,445
Linda Beal	150,000	NIL	NIL	225,000	NIL	10,522	385,522
Dr. Frannie Léautier	150,000	NIL	NIL	225,000	NIL	716	375,716

Notes:

- (1) Directors (other than directors who are Named Executive Officers) receive an annual retainer of US\$150,000 and the Chair (Mr. Ross) receives an annual retainer of US\$200,000. Directors are reimbursed for their reasonable expenses incurred attending meetings, including a daily allowance where applicable.
- (2) No share-based awards or option-based awards were granted by the Company to non-NEO directors during the year ended December 31, 2022.
- (3) These amounts relate to Retention Awards that were granted under the Plan during the year ended December 31, 2022. Mr. Ross, Ms. Beal and Ms. Léautier's Retention Award Amounts granted during the year ended December 31, 2022 were calculated by multiplying their respective December 31, 2022 year end gross fees earned by one and a half (1.5) times. The multiplier was determined according to scope and responsibility of the role, in order to retain individuals of the highest calibre and experience who bring independent views to the development of policy, strategic decisions and governance of the Company. Retention Award's are subject to certain vesting conditions as described in the Plan and if the individuals meet all requirements, the Award Payment Date for all Retention Awards for all Eligible Participants is September 30, 2026. See "*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives – Long Term Awards*" for more information.
- (4) No non-NEO director had any pension value awarded during the year ended December 31, 2022.
- (5) For each of Mr. Ross, Ms. Beal and Dr. Léautier the amounts shown in all other compensation represent the additional benefit that has accrued as a consequence of the adjustment to the exercise price for both SARs and RSUs to reflect the dividends which have been paid but were not recognized in the initial fair valuation at the date of the award.

Directors' Outstanding Option-Based Awards and Share-Based Awards

None of the directors had any option-based awards or share-based awards outstanding at the end of the year ended December 31, 2022.

Directors Incentive Plan Awards – Value Vested or Earned During 2022

The following table sets forth for each director who is not also a Named Executive Officer the value of option-based awards and share-based awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022.

Name	Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ (US\$)	Share-based awards – Value vested during the year ⁽¹⁾ (US\$)	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾ (US\$)
David W. Ross	29,712	NIL	NIL
Linda Beal	23,432	NIL	NIL
Dr. Frannie Léautier	6,046	NIL	NIL

Notes:

- (1) All option-based awards were granted and are payable in Canadian dollars. There were no share-based awards that vested during the year ended December 31, 2022 in respect of any non-NEO director.
- (2) The values in table with respect to Mr. Ross were converted from Canadian dollars to US dollars at an exchange rate of C\$1.00 = US\$0.7937, the exchange rate at the time of vesting. Calculated based on the number of SARs and RSUs vested in the year multiplied by difference between the market price of the Class B Shares at the vesting date and the exercise price on the vesting date of the SARs or RSUs. The exercise price having been reduced by C\$0.96 with respect to the dividends declared between the date of grant and time of vesting. The values in the table with respect to Ms. Beal were converted from Canadian dollars to US dollars at an exchange rate of C\$1.00 = US\$0.7803, the exchange rate at the time of vesting. Calculated based on the number of SARs and RSUs vested in the year multiplied by difference between the market price of the Class B Shares at the vesting date and the exercise price on the vesting date of the SARs and RSUs. The exercise price having been reduced by C\$0.96 with respect to the dividends declared between the date of grant and time of vesting. The values in table with respect to Dr. Léautier were converted from Canadian dollars to US dollars at an exchange rate of C\$1.00 = US\$0.7597, the exchange rate at the time of vesting. Calculated based on the number of SARs and RSUs vested in the year multiplied by difference between the market price of the Class B Shares at the vesting date and the exercise price on the vesting date of the SARs or RSUs. The exercise price having been reduced by C\$1.00 with respect to the dividends declared between the date of grant and time of vesting.
- (3) There were no Retention Awards that vested during the year ended December 31, 2022 in respect of any non-NEO directors.

Securities Authorized for Issuance Under Equity Compensation Plans

As at December 31, 2022, Orca did not have any equity compensation plans.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of Shares or otherwise, of any director, executive officer or nominee for director, or any director or executive officer of Orca who has acted in such capacity since the beginning of the last completed financial year (being the year ended December 31, 2022) or of any associate or affiliate of the foregoing, in respect of any matter to be acted on at the Meeting other than the election of directors and the appointment of auditors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To management's knowledge, no individual who is, or at any time during the most recently completed financial year was, a director, executive officer or senior officer of the Company, or any associate of any such individual: (i) is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries; or (ii) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any nominees for director or any informed persons (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), or any known associate or affiliate of such persons in any transactions since the commencement of Orca's last completed financial year (being the year ended December 31, 2022) or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that if management of an issuer solicits proxies from its shareholders for the purpose of electing directors, that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSXV also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Company is that contained in Form 58-101F2 which is attached to NI 58-101 ("**Form 58-101F2 Disclosure**").

Set out below is a description of the Company's current corporate governance practices, relative to the Form 58-101F2 Disclosure (which is set out below in italics).

1. **Board of Directors**

Disclose how the board of directors facilitates its exercise of independent supervision over management including:

- (a) *the identity of directors that are independent; and*
- (b) *the identity of directors who are not independent, and the basis for that determination.*

The Board has determined that the following directors of the Company are independent in accordance with NI 58-101:

David W. Ross
Linda Beal
Dr. Frannie Léautier

The Board has determined that Jay C. Lyons and Lisa Mitchell, are not independent as they are the Chief Executive Officer and Chief Financial Officer of the Company, respectively.

2. **Directorships**

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

<u>Name of Director</u>	<u>Name of Other Issuer</u>
Linda Beal	Kropz Plc i3 Energy Plc Hurricane Energy plc
Frannie Leautier	Les Eaux Minérales D'Oulmes
Lisa Mitchell	Pharos Energy plc

3. **Orientation and Continuing Education**

Describe what steps, if any, the Board takes to orient new board members, and describe any measures the Board takes to provide continuing education for directors.

While the Company does not currently have a formal orientation and education program for new recruits to the Board, the Company has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Company, as well as information on the Company's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, limited turnover of the directors and the experience and expertise of the members of the Board.

No formal continuing education program currently exists for the directors of the Company. The Board believes that no formal education program is currently required as a result of the knowledge and experience of the Board members and as the Company's legal counsel and auditors provide the Board and applicable Committees with updates of new developments regarding corporate governance and regulatory requirements as they arise.

4. **Ethical Business Conduct**

Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.

The Board has adopted a code of ethics applicable to all members of the Company, including directors, officers and employees. Each director, officer and employee of the Company has been provided with a copy of the code of ethics. In addition, a copy of the code of ethics has been filed on SEDAR at www.sedar.com.

The Board monitors compliance with the code of ethics by requiring each of the senior officers of the Company to affirm in writing on an annual basis his or her agreement to abide by the code of ethics, as to his or her ethical conduct and in respect of any conflicts of interest.

Directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In certain cases, an independent committee may be formed to deliberate on such matters in the absence of the interested party.

The Company has adopted a "Disclosure, Confidentiality and Trading Policy" aimed at ensuring timely disclosure of material information and imposing blackout periods in respect of trading in the Company's Shares.

The Board has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Company are provided with a mechanism by which they can raise concerns in a confidential, anonymous process.

5. **Nomination of Directors**

Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:

- (a) *who identifies new candidates; and*
- (b) *the process of identifying new candidates.*

All nominations are currently made by the Board and the mandate of the Board is to use its best efforts to ensure that at least a majority of its directors are independent, whenever possible.

6. **Compensation**

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (a) *who determines compensation; and*
- (b) *the process of determining compensation.*

The process of who determines compensation and how decisions are made is described in this Circular under the heading "*Compensation Discussion and Analysis*".

7. **Other Board Committees**

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

In 2016, the Board approved the creation of a reserves committee (the "**Reserves Committee**"). The Reserves Committee is responsible for matters delegated to it by the Board and set forth in National Instrument 51-101, and is currently composed of Mr. Lyons and Mr. Ross.

Pursuant to the Reserves Committee mandate, the Reserves Committee is responsible for reviewing the independent engineering reserves report, meeting with the independent engineers to review the methodology used in estimating the Company's reserves and ensuring that the Company's disclosure requirements are met. The Reserves Committee reviews the adequacy of the information available to the independent engineers and the co-operation of management in making such information available. The members of the Reserves Committee have direct access to the independent engineers of the Company. The Reserves Committee will also review and/or approve any other matters specifically delegated to it by the Board.

In 2019, the Board approved the creation of the Environment, Social and Governance Committee (the "**ESG Committee**"). The ESG Committee is responsible for matters delegated to it by the Board and is currently composed of Dr. Léautier and Mr. Lyons.

Pursuant to the ESG Committee mandate, the ESG Committee is responsible for providing oversight of, and carrying out the responsibilities delegated by the Board related to environmental, social, sustainability and governance matters which include: actions the Company can take to be, and be known as, a responsible and good corporate citizen in the communities in which it operates, while furthering its long-term business objectives; social, sustainability, political and environmental trends, risks and opportunities that affect the Company's business strategy and performance; and communication, engagement and relationship-building with communities, stakeholders, decision makers and Indigenous Peoples critical to the Company's ability to build and sustain public trust and confidence.

8. Assessments

Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual directors are performing effectively.

The Board does not regularly assess its members but members are regularly invited to express any concerns they may have either at meetings or in discussions with the Chairman.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor in accordance with Form 52-110F2.

Audit Committee Mandate and Terms of Reference

The mandate and responsibilities of the Audit Committee of the Board is attached hereto as Exhibit A.

Composition of the Audit Committee

The current members of the Audit Committee are Ms. Beal, Mr. Ross and Dr. Léautier. Ms. Beal and Dr. Léautier are independent while Mr. Ross – although considered an independent director in accordance with NI 58-101 – is not independent for audit committee purposes because he is a counsel to a law firm that receives fees from the Company. All members are financially literate for the purposes of NI 52-110.

Relevant Education and Experience

Ms. Beal is a Fellow Chartered Accountant with the Institute of Chartered Accountants of England and Wales. Ms. Beal was a tax partner with PricewaterhouseCoopers in the United Kingdom for 16 years and then with Grant Thornton UK LLP. Ms. Beal has significant experience in advising natural resources groups operating in Africa and internationally and acting as the chair of audit committees for publicly listed companies.

Mr. Ross is not a Chartered Professional Accountant but he is conversant with accounting principles as they apply to the preparation and analysis of financial statements. Mr. Ross practices as a business lawyer and tax lawyer in Canada and has extensive experience with respect to acquisitions, dispositions, corporate finance and tax planning. Mr. Ross has published many articles on taxation law.

Dr. Léautier is not a Chartered Professional Accountant but has significant international finance and banking experience with African Development Bank, the Trade and Development Bank and World Bank. Dr. Léautier holds a PhD in Infrastructure Systems and a Masters in Transportation from the Massachusetts Institute of Technology.

Pre-Approval of Policies and Procedures

The Audit Committee reviews and pre-approves all non-audit services to be provided to Orca by its external auditors.

External Auditor Service Fees

In 2021 and 2022, KPMG LLP was paid fees as follows (in Canadian dollars):

	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>	<u>Total</u>
2021	C\$469,443	NIL	NIL	NIL	C\$469,443
2022	C\$474,235	NIL	NIL	NIL	C\$474,235

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.
- (4) "All Other Fees" include all other non-audit products and services including non-audit work on quarterly financial statement preparation.

Exemption

As the Company is listed on the TSXV, it is relying on the exemption in Section 6.1 of NI 52-110 and it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

AVAILABILITY OF DOCUMENTS

Unless otherwise stated, information contained herein is given as at May 18, 2023.

Financial information is provided in the Company's consolidated comparative annual financial statements and management's discussion and analysis ("**MD&A**") for its most recently completed financial year. Copies of this Circular, as well as the Company's latest Annual Report (which includes the Company's audited financial statements and MD&A) for the year ended December 31, 2022, may be obtained from the Company's website at www.orcaenergygroup.com or by mail upon request from the Secretary of Orca, 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Shareholders may also access the Company's disclosure documents and any reports, statements or other information that it files with the Canadian provincial securities commission or other similar regulatory authorities through the internet on the Canadian System for Electronic Document Analysis and Retrieval, which is commonly known by the acronym SEDAR, and which may be accessed at www.sedar.com.

APPROVAL OF CIRCULAR BY ORCA'S BOARD

This Circular and the sending, communication and delivery thereof to the Shareholders have been authorized and approved by the Board.

EXHIBIT A

CHARTER OF THE AUDIT AND RISK COMMITTEE OF THE BOARD OF DIRECTORS OF ORCA ENERGY GROUP INC.

The Audit and Risk Committee (the "**Committee**") shall report to and assist the Board of Directors (the "**Board**") of Orca Energy Group Inc. (the "**Company**") by providing oversight of the financial management, independent auditors and financial reporting procedures of the Company, as well as such other matters as directed by the Board or this Charter.

Membership of the Committee

1. The Committee shall be comprised of not less than two members of the Board.
2. The composition of the Committee shall meet all the requirements of the Committee Policy of Canadian National Instrument 52-110.
3. A majority of members shall have no other relationship to the Company that may interfere with the exercise of his or her independence from management and the Company, including the receipt from the Company of any compensation other than directors' fees and other compensation related to their service as a director.
4. Each Committee member shall be financially literate or shall become financially literate within a reasonable period of time after appointment to the Committee. For these purposes an individual will be considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.
5. Any member of the Committee may be removed or replaced at any time by the board and shall cease to be a member of the Committee upon ceasing to be a director of the Company. The Board of Directors may fill vacancies on the Committee by appointment from among its number. If and when a vacancy shall exist on the Committee the remaining members may exercise all of its powers so long as a quorum remains in office.

Meetings of the Committee

6. The Committee will meet formally at least four times each fiscal year.
7. The Committee will hold separate private meetings with each of a representative of the independent auditors and the Chief Financial Officer.
8. Two members of the Committee shall constitute a quorum.
9. Subject to the foregoing, each member of the Committee shall hold office until the next annual meeting of the shareholders.
10. Unless the Board of Directors specifies otherwise, the Committee shall choose one of its own members to be its Chairman. The Secretary of the Company shall be the Secretary of the Committee.
11. The times and places where the meetings of the Committee shall be held and the calling and procedures at such meetings shall be determined by the resolutions of the Board of Directors with respect to committee procedures provided that every notice of such meeting shall be given to the auditors of the Company and that meetings shall be convened wherever requested by the auditors in accordance with the BVI Companies Act 2004.

Key Responsibilities

12. The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing these financial statements. The Committee is responsible for assisting the Board in overseeing the conduct of these activities by the Company's management and the independent auditors, and the integrity of the Company's financial statements. The financial management and the independent auditors of the Company have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification or other information as to the independent auditors' work. The Committee is also responsible for preparing any report of the Committee that applicable rules require be included in the Company's annual proxy statement. The members of the Committee shall have the right, for the purpose of performing their duties, of inspecting all the books and records of the Company and its affiliates and discussing such accounts and records and any other matters relating to the financial position of the Company with the officers and auditors of the Company and its affiliates.
13. In carrying out its oversight responsibilities, the Committee shall perform the following functions:

Oversight of Independent Auditors

14. In the course of its oversight of the independent auditors as provided under this Charter, the Committee will be guided by the premise that the independent auditors are ultimately accountable to the Board and the Committee.
15. The Committee, subject to any action that may be taken by the full Board, shall have the ultimate authority and responsibility to appoint, retain, compensate, evaluate and, when appropriate, terminate the independent auditors. This responsibility includes resolving disagreements between management and the independent auditors regarding financial reporting. The Committee shall assist the Board in its oversight of the qualifications, independence and performance of the independent auditors. In all cases, the independent auditors shall report directly to the Committee.
16. The Committee shall:
 - (a) receive from the independent auditors annually, a formal written statement delineating the relationships between the auditors and the Company;
 - (b) discuss with the independent auditors the scope of any such disclosed relationships and their impact or potential impact on the independent auditors' independence and objectivity; and
 - (c) recommend that the Board take appropriate action in response to the independent auditors' report to satisfy itself of the auditor's independence.
17. The Committee shall review and approve the original proposed scope of the annual independent audit of the Company's financial statements and the associated engagement fees, as well as any significant variations in the actual scope of the independent audit and the associated engagement fees.
18. The Committee shall set hiring policies for employees or former employees of the independent auditors.
19. At least annually, the Committee shall obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditors and the Company.

20. The Committee shall review with the independent auditors any difficulties the auditors encountered in the course of the audit work, including restrictions on the scope of work or access to requested information, and any significant disagreements with management.
21. The Committee shall pre-approve all non-audit services to be provided by the independent auditors to the Company and any of its subsidiaries.

Oversight of Internal Auditors

22. The Committee shall review and discuss with management and the independent auditors:
 - (a) The quality and adequacy of the Company's internal accounting controls.
 - (b) The audit risk assessment process and the need for an internal audit department and if appropriate the coordination of that scope with independent auditors.
 - (c) If required the internal audit function, the adequacy of its resources and the competence and performance of the internal audit staff.
 - (d) Results of the internal auditors' examination of internal controls including summaries of inadequate reports issued and/or management improprieties together with management's response thereto.

Oversight of Management's Conduct of the Company's Financial Reporting Process

23. Audited Financial Statements. The Committee shall discuss with management and the independent auditors the audited financial statements to be included in the Company's Annual Information Form, where appropriate and review and consider with the independent auditors the matters required to be discussed by the applicable auditing standards. Based on these discussions, the Committee will advise the Board of Directors whether it recommends that the audited financial statements be included in the Annual Information Form.
24. Interim Financial Statements. The Committee, through its Chairman or the Committee as a whole, will review with management and the independent auditors, prior to the filing thereof, the Company's interim financial results to be included in the Company's quarterly reports and the matters required to be discussed by the applicable accounting standards. The Committee will also discuss the Company's annual audited financial statements and quarterly financial statements with management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis" ("MD&A").

Financial Reporting Practices

25. The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
26. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.
27. The Committee shall review:
 - (a) Changes in the Company's accounting policies and practices and significant judgments that may affect the financial results.
 - (b) The nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management.

- (c) The effect of changes on accounting standards that may materially affect the Company's financial reporting practices.
28. Financial Information Disclosure. The Committee shall in a general manner discuss earnings press releases, as well as the types of financial information and earnings guidance that are given to analysts and rating agencies.
29. Risk Assessment. The Committee shall discuss with management the guidelines, policies and processes relied upon and used by management to assess and manage the Company's exposure to risk.

Assist the Board in Oversight of the Company's Compliance with Policies and Procedures Addressing Legal and Ethical Concerns

30. The Committee shall review and monitor, as appropriate:
- (a) Results of compliance programs, including Company's policies on business conduct and ethics.
 - (b) Litigation or other legal matters that could have a significant impact on the Company's financial results.
 - (c) Significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax.
 - (d) The Company's disclosure controls and procedures.
 - (e) Financial plans and objectives of the Company from time to time;
 - (f) The risks inherent with the Company's business and the risk management programs relating thereto and discuss this with management; and
 - (g) Such other matters as the Board of Directors may refer to from time to time.
31. By approving and adopting recommendations of management, the Committee shall ensure that procedures have been established for the receipt, retention and treatment of complaints from Company employees on accounting, internal accounting controls or auditing matters, as well as for the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
32. The Committee shall report regularly to the Board on its meetings and discussions and review with the Board significant issues or concerns that arise at Committee meetings, including its evaluation of the independent auditors.
33. The Committee shall conduct an annual evaluation of its performance in fulfilling its duties and responsibilities under this Charter.
34. The chairman or any one or more members of the Committee, as designated by the Committee, may act on behalf of the Committee.
35. The Committee shall have authority and appropriate funds to retain and consult with outside legal, accounting or other advisors as the Committee may deem appropriate.
36. The adequacy of this Charter shall be reviewed by the Committee on an annual basis. The Committee will recommend to the Board any modifications to this Charter, which the Committee deems appropriate, for approval by the Board.