

NEWS RELEASE

ORCA ENERGY GROUP INC. ANNOUNCES COMPLETION OF Q2 2026 INTERIM FILINGS

For Immediate Release

TORTOLA, BRITISH VIRGIN ISLANDS – August 12, 2026: Orca Energy Group Inc. (“**Orca**” or the “**Company**” and includes its subsidiaries and affiliates) (TSX-V: ORC.A, ORC.B) today announces that it has filed its condensed consolidated interim (unaudited) financial statements and management’s discussion and analysis for the three and six month periods ended June 30, 2026 (“**Q2 2026**”) with the Canadian securities regulatory authorities. All amounts are in United States dollars (“\$”) unless otherwise stated.

Highlights

- Revenue decreased by 2%, or \$0.6 million, for Q2 2026 and increased by 5%, or \$2.4 million, for the six months ended June 30, 2026 over the comparable prior year periods. The decrease for Q2 2026 over the comparable prior year period is primarily a result of the decrease in the current income tax adjustment. The increase for the six months ended June 30, 2026 is primarily a result of higher gas deliveries to the industrial sector.
- Additional Gas volumes decreased by 3% for Q2 2026 and increased by 4% for the six months ended June 30, 2026 compared to the same prior year periods. The decrease for Q2 2026 over the comparable prior year period was mainly driven by lower consumption by the Tanzanian Electric Supply Company Limited (“**TANESCO**”). The increase for the six months ended June 30, 2026 over the comparable prior year period was mainly a result of increased consumption by industrial customers.
- On August 7, 2024, PanAfrican Energy Tanzania Limited (“**PAET**”) and Pan African Energy Corporation (Mauritius) (“**PAEM**”) issued a notice of dispute (the “**Notice of Dispute**”) in respect of an investment treaty claim against the Government of Tanzania (the “**GoT**”) for breach of the Agreement on Promotion and Reciprocal Protection of Investment between the Government of the Republic of Mauritius and the GoT (the “**BIT**”), and a contractual dispute against the GoT and the Tanzanian Petroleum Development Corporation (“**TPDC**”), for breaches of the: (i) the Production Sharing Agreement among PAET, TPDC and the GoT (the “**PSA**”), and (ii) the Gas Agreement among the GoT, TPDC, Songas Limited (“**Songas**”), and PAET (the “**Gas Agreement**”), for damages estimated in excess of \$1.2 billion. Initial meetings with both the Advisory and Coordinating Committees were held during the week of October 14, 2024, without any resolution on the key issues in dispute. Following a period of negotiations with the GoT, on August 1, 2025, PAET issued two sets of arbitration proceedings against the GoT and TPDC registered with the International Centre for Settlement of Investment Disputes (“**ICSID**”) for breach of the PSA and Gas Agreement respectively and PAEM issued arbitration proceedings against the GoT for breach of the BIT (the “**RFAs**”). The claims under the RFAs arise out of a series of actions and omissions by Tanzania and TPDC that threaten the viability of the Project and breach multiple obligations under the BIT, PSA and Gas Agreement. On August 28, 2025, ICSID registered all three RFAs. The proceedings under the Gas Agreement and PSA were consolidated by agreement of the parties on December 17, 2025. On February 11, 2026, the arbitral tribunal in the Gas Agreement and the PSA arbitration was constituted, and on February 13, 2026, the arbitral tribunal in the BIT arbitration was constituted. The tribunals held the first procedural hearings in the proceedings under the BIT on April 27, 2026, and in the consolidated proceedings under the Gas Agreement and the PSA on May 7, 2026, following which the procedural timetables were issued in June 2026 and final hearings to be scheduled in 2029 and 2030. PAET and PAEM are due to file their Memorials in both proceedings on October 30, 2026.
- Net loss attributable to shareholders amounted to \$2.6 million for Q2 2026 and net income attributable to shareholders amounted to \$0.8 million for the six months ended June 30, 2026, as compared to net income attributable to shareholders of \$22.4 million for three months ended June 30, 2025 (“**Q2 2025**”) and \$22.5 million for the six months ended June 30, 2025. The decreases compared to the same prior year periods were primarily a result of the reversal of loss allowance in Q2 2025 following the collection of TANESCO long-term arrears pursuant to the settlement agreement.
- Net cash flows from operating activities decreased by 97%, or \$31.0 million, for Q2 2026 and by 100%, or \$52.2 million, for the six months ended June 30, 2026 compared to the same prior year periods primarily as a result of the final settlement in the 3D seismic acquisition program dispute and the Company’s retention bonus payment to its local workforce in Q2 2026.
- Capital expenditures decreased by \$0.6 million for the six months ended June 30, 2026 compared to the same prior year period. The capital expenditures in Q1 and Q2 2026 and Q1 and Q2 2025 primarily related to the costs of flowlines replacements on SS-5 and SS-9 wells, deferred from 2024 at the request of the GoT. Capital expenditures for Q1 and Q2 2026 are presented net of credits received from a supplier previously involved in the workover program.
- The Company exited Q2 2026 with \$10.4 million in working capital (December 31, 2025: \$27.4 million) and cash and cash equivalents of \$79.0 million (December 31, 2025: \$87.0 million). Cash held in hard currencies (USD, Euro, GBP, CDN) as at June 30, 2026 was \$71.7 million (December 31, 2025: \$82.8 million). As of December 31, 2025, \$24.7 million was posted as security in respect to an appeal initiated by the Company relating to a judgment received from the Tanzania High Court (Commercial Division) for a claim brought by a contractor against PAET relating to alleged losses arising from PAET’s termination of a contract relating to the Company’s 3D seismic acquisition program. On May 11, 2026, \$19.3 million was paid in full and final settlement and the restrictions lifted on the remaining security balance of \$5.4 million.
- On February 27, 2026, the Company entered into an agreement with Swala Oil and Gas (Tanzania) plc (in liquidation) (“**Swala**”) for the withdrawal without leave to refile of Swala’s proceedings against Orca, PAEM, and PAET (collectively, the “**Orca Group**”) before the High Court of Tanzania in Case No. 11561 of 2025 (the “**Tanzanian Proceedings**”), and the withdrawal of the anti-suit injunction filed by the Orca Group against Swala in the High Court of England and Wales Commercial Court. The Orca Group and Swala agreed to refer any such dispute to a confidential arbitration conducted under the Arbitration Rules of the London Court of International Arbitration, with London as the

place and seat of such arbitration.

- On April 10, 2026 the Orca Group filed a Request for Arbitration under the LCIA Arbitration Rules (2020) pursuant to Clause 2.6 of the Settlement Deed executed on February 26, 2026 by Orca, PAEM, PAET and Swala seeking, declaratory and monetary reliefs against Swala and a new entity to which Swala assigned its claims. Specifically, the Claimants seek declarations that the claims advanced by Swala in the Tanzanian Proceedings and assigned to the new Swala entity have no legal or factual basis and must fail. Instead, those claims are wholly speculative and vexatious and have been manufactured in an attempt to circumvent the comprehensive release contained in the related share sale agreement.
- On June 25, 2026, Swala and Swala UK Operations Limited ("**Swala UK**") filed an LCIA arbitration against Orca, PAEM and PAET, claiming damages of US\$164 million (the "**Second Arbitration**"). At the same time, they requested that the proceedings be consolidated, with Swala and Swala UK designated as the claimants and Orca, PAEM and PAET as the respondents. On July 2, 2026, Orca, PAEM and PAET filed an application with the tribunal in the First Arbitration seeking consolidation of the two proceedings while maintaining the parties' designations in the First Arbitration (i.e., the Orca Group as claimants and the Swala parties as respondents). On July 21, 2026, the Tribunal ruled in favour of Orca Groups' application for consolidation.
- On April 13, 2026, Orca announced that it had entered into a definitive Share Purchase Agreement (the "**Share Purchase Agreement**") with Taifa Gas Tanzania Limited ("**Taifa**") and Amber Energy Investment L.L.C-FZ ("**Amber**", and together with Taifa, the "**Purchasers**") pursuant to which Orca will sell all of the outstanding shares of PAEM (the "**Transaction**"). Upon closing of the Transaction, Taifa will acquire 49% of PAEM and Amber will acquire 51%. The Share Purchase Agreement provides for a nominal cash price of US\$10.00 for the PAEM shares, which is in addition to the other covenants, warranties, representations and obligations of the Purchasers under the agreement and the strategic and commercial benefits that would accrue to Orca by exiting its Tanzanian business. Closing of the Transaction is subject to customary and transaction-specific conditions, including approval or clearance from the Tanzania Fair Competition Commission and the Tanzanian Minister responsible for petroleum affairs, approval by a simple majority of the votes cast by Orca shareholders at the Company's annual general and special meeting of shareholders (which was received on June 17, 2026), acceptance by the TSX Venture Exchange (the "**TSXV**") of the Transaction and related matters requiring the TSXV's approval or acceptance, and the release of Orca from remaining guarantees and related undertakings in favor of the IFC in respect of obligations of PAEM and PAET. Any party may terminate the Share Purchase Agreement for any reason.
- On May 27, 2026, the Company declared a dividend of CDN\$0.10 per share on each of its Class A Shares and Class B Shares to holders of record as of June 30, 2026. The dividend was paid on July 15, 2026.

Financial and Operating Highlights for the Three and Six Months Ended June 30, 2026

	Three months ended June 30		% Change	Six months ended June 30		% Change
(Expressed in \$'000 unless indicated otherwise)	2026	2025	Q2/26 vs Q2/25	2026	2025	Ytd/26 vs Ytd/25
OPERATING						
Daily average gas delivered and sold (MMcfd)	66.4	68.3	(3)%	73.0	70.2	4%
Industrial	21.8	18.5	18%	21.4	18.9	13%
Power	44.6	49.8	(10)%	51.6	51.3	1%
Average price (\$/mcf)						
Industrial	7.71	7.82	(1)%	7.79	7.90	(1)%
Power	3.95	4.03	(2)%	3.99	3.97	1%
Weighted average	5.19	5.06	3%	5.10	5.03	1%
Operating netback (\$/mcf)¹	2.86	2.67	7%	2.75	2.78	(1)%
FINANCIAL						
Revenue	23,690	24,274	(2)%	52,087	49,665	5%
Net (loss) / income attributable to shareholders	(2,634)	22,401	n/m	834	22,503	(96)%
per share – basic and diluted (\$)	(0.13)	1.13	n/m	0.04	1.14	(96)%
Net cash flows from operating activities	917	31,948	(97)%	11	52,212	(100)%
per share – basic and diluted (\$) ¹	0.05	1.62	(97)%	0.00	2.64	(100)%
Capital expenditures¹	1	44	n/m	(5)	592	n/m
Weighted average Class A and Class B Shares¹ ('000)	19,765	19,765	0%	19,765	19,766	0%
				June 30, 2026	As at December 31, 2025	% Change
Working capital (including cash) ¹				10,444	27,411	(62)%
Cash and cash equivalents				78,962	86,986	(9)%
Outstanding shares ('000)						
Class A				1,750	1,750	0%
Class B				18,015	18,015	0%
Total shares outstanding				19,765	19,765	0%

¹ Please refer to the Non-GAAP Financial Measures and Ratios section of the MD&A for additional information.

The complete Condensed Consolidated Interim (Unaudited) Financial Statements and Notes and Management's Discussion & Analysis for the three and six months ended June 30, 2026 may be found on the Company's website at www.orcaenergygroup.com or on the Company's profile on SEDAR+ at www.sedarplus.ca.

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, PAET. Orca trades on the TSXV under the trading symbols ORC.B and ORC.A.

The principal asset of Orca is its indirect interest in the PSA with TPDC and the GoT in the United Republic of Tanzania. This PSA covers the production and marketing of certain conventional natural gas from the License offshore Tanzania. The PSA defines the gas produced from the Songo Songo gas field as “Protected Gas” and “Additional Gas”. The Gas Agreement deals further with the parties’ entitlement to Protected Gas and Additional Gas. Under the Gas Agreement, until July 31, 2024, Protected Gas was owned by TPDC and was sold to Songas and Tanzania Portland Cement PLC. After July 31, 2024, Protected Gas ceased and all production from the Songo Songo gas field constitutes Additional Gas which PAET and TPDC are entitled to sell on commercial terms until the PSA expires in October 2026. Songas is the owner of the infrastructure that enables the gas to be treated and delivered to Dar es Salaam, which includes a gas processing plant on Songo Songo Island.

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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
MMcf	million standard cubic feet
MMcfd	million standard cubic feet per day

Non-GAAP Financial Measures and Ratios

In this press release, the Company has disclosed the following non-GAAP financial measures, non-GAAP ratios and supplementary financial measures: capital expenditures, operating netback, operating netback per mcf, working capital, net cash flows from operating activities per share and weighted average Class A and Class B Shares.

These non-GAAP financial measures and ratios disclosed in this press release do not have any standardized meaning under International Financial Reporting Standards (“IFRS”), and may not be comparable to similar financial measures disclosed by other issuers. These non-GAAP financial measures and ratios should not, therefore, be considered in isolation or as a substitute for, or superior to, measures and ratios of Company’s financial performance defined or determined in accordance with IFRS. These non-GAAP financial measures and ratios are calculated on a consistent basis from period to period.

Non-GAAP Financial Measures

Capital expenditures

Capital expenditures is a useful measure as it provides an indication of our investment activities. The most directly comparable financial measure is net cash used in investing activities. A reconciliation to the most directly comparable financial measure is as follows:

	Three Months ended June 30		Six Months ended June 30	
\$'000	2026	2025	2026	2025
Pipelines, well workovers and infrastructure	1	44	(5)	592
Capital expenditures	1	44	(5)	592
Change in non-cash working capital	269	2,082	618	9,184
Net cash used in investing activities	270	2,126	613	9,776

Operating netback

Operating netback is calculated as revenue less processing and transportation tariffs, TPDC's revenue share, and operating and distribution costs. The operating netback summarizes all costs that are associated with bringing the gas from the Songo Songo gas field to the market and is a measure of profitability. A reconciliation to the most directly comparable financial measure is as follows:

	Three Months ended June 30		Six Months ended June 30	
\$'000	2026	2025	2026	2025
Revenue	23,690	24,274	52,087	49,665
Production, distribution and transportation expenses	(4,743)	(4,175)	(9,681)	(8,378)
Net Production Revenue	18,947	20,099	42,406	41,287
Less current income tax adjustment (recorded in revenue)	(1,630)	(3,536)	(5,997)	(6,074)
Operating netback	17,317	16,563	36,409	35,213
Sales volumes MMcf	6,041	6,216	13,218	12,703
Netback \$/mcf	2.86	2.67	2.75	2.78

Non-GAAP Ratios

Operating netback per mcf

Operating netback per mcf represents the profit margin associated with the production and sale of Additional Gas and is calculated by taking the operating netback and dividing it by the volume of Additional Gas delivered and sold. This is a key measure as it demonstrates the profit generated from each unit of production.

Supplementary Financial Measures

Working capital

Working capital is defined as current assets less current liabilities, as reported in the Company's Condensed Consolidated Interim Statements of Financial Position (Unaudited). It is an important measure as it indicates the Company's ability to meet its financial obligations as they fall due.

Net cash flows from operating activities 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. Net cash flow from operations is an important measure as it indicates the cash generated from the operations that is available to fund ongoing capital commitments.

Weighted average Class A and Class B Shares

In calculating the weighted average number of shares outstanding during any period the Company takes the opening balance multiplied by the number of days until the balance changes. It then takes the new balance and multiplies that by the number of days until the next change, or until the period end. The resulting multiples of shares and days are then aggregated and the total is divided by the total number of days in the period.

Forward-Looking Information

This news release contains forward-looking statements or information (collectively, “forward-looking information”) within the meaning of applicable securities legislation. All information, other than statements of historical fact included in this news release, which address activities, events or developments that Orca expects or anticipates to occur in the future, is forward-looking information. Forward-looking information often contain terms such as may, will, should, anticipate, expect, continue, estimate, believe, project, forecast, plan, intend, target, outlook, focus, could and similar words suggesting future outcomes or information regarding an outlook. More particularly, this news release contains, without limitation, forward-looking information pertaining to the following: amounts owing to the Company from TANESCO and the payment thereof; merit, outcomes, position, filing requirements and timing in respect of the Notice of Dispute and RFAs; expectations regarding damages in relation to the Notice of Dispute and RFAs; merit, outcomes, position, filing requirements and timing in respect of the Company's proceedings against the Swala parties, the Swala arbitration and the Second Arbitration; expectations in relation to the Swala proceedings and arbitration; the Company's operations subsequent to October 2026, when the Songo Songo development license is set to expire; and the terms of the Share Purchase Agreement. Although management believes that the expectations reflected in the forward-looking information is reasonable, it cannot guarantee future results, levels of activity, access to resources and infrastructure, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies.

This forward-looking information involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, and many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information made by the Company, including, but not limited to: uncertainties involving the Notice of Dispute and RFAs; various uncertainties involved in the extension of the Songo Songo development licence and PSA; risk that meetings related to the Notice of Dispute and RFAs are not held on the anticipated timing; risk of decreased demand for production volumes from the Songo Songo gas field; negative effect on the Company's rights under the PSA and other agreements relating to its business in Tanzania; fluctuations in demand for natural gas and power supply in Tanzania; the Company's average gas sales including the sale of Additional Gas are different than anticipated; uncertainties involving the negotiation of new commercial terms under the Gas Agreement with Songas and necessary approvals from TPDC; risk that the Company may incur losses and legal expenses as a result of the Notice of Dispute and RFAs; uncertainties regarding quantum of damages payable to the Company in respect of the Notice of Dispute and RFAs; risk relating to the Swala proceedings and arbitration and the Second Arbitration and the costs and outcomes thereof; risk related to the Transaction including risk that the Company or Purchasers are unable to satisfy the conditions to closing; risk that the Company does not achieve the benefits of the Transaction; risk that closing of the Transaction may require concessions or other arrangements with TPDC or the GoT that are unacceptable to one or more parties to the Share Purchase Agreement; risk that the parties to the Share Purchase Agreement resolves to terminate the Share Purchase Agreement; inability to extend the Songo Songo development licence and PSA, and inability to maintain gas sale contract discipline; changes to forecasts regarding future development capital spending and source of capital funding; risk of future restrictions on the movement of cash from Jersey, Mauritius or Tanzania; occurrence of circumstance or events which significantly impact the Company's cash flow and liquidity and the Company's ability cover its long-term and short-term obligations or fund planned capital expenditures; prolonged foreign exchange reserves deficiency in Tanzania; the lack of availability of US dollars; inability to convert Tanzanian shillings into US dollars as and when required; lack of access to Songas processing and transportation facilities; risk of reduced current and potential production capacity of the Songo Songo gas field; the Company's expectations regarding the supply and demand of natural gas is incorrect; uncertainty associated with the evolution of Tanzanian legislation; the risk of unanticipated effects regarding changes to the Company's tax liabilities and its operations as a result of amendments made to existing legislation, the implementation of further legislation and the Company's interpretation of the same; 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; changes in laws and regulations including the adoption of new environmental laws and regulations; impact of local content regulations and variances in the interpretation and enforcement of such regulations; the lack of availability of qualified personnel or management; fluctuations in commodity prices, foreign exchange or interest rates; stock market volatility; competition for, among other things, capital, oil and gas field services and skilled personnel and increased competition; failure to obtain required equipment for field development; delays in development plans; effect of changes to the PSA on the Company as a result of the implementation of new government policies for the oil and gas industry; inaccurate reserves estimates; incorrect forecasts in production and growth potential of the Company's assets; obtaining required approvals of regulatory authorities; risks associated with negotiating with foreign governments; inability to satisfy debt conditions of financing; risk that the Company will not be able to fulfil its contractual obligations; risk that trade and other receivables may not be paid by the Company's customers when due; the risk that the Company's Tanzanian operations will not provide near term revenue earnings; reduced global economic activity as a result of the continuing impacts of geo-political conflicts or pandemics. 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, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by this forward-looking information 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 information is 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, the anticipated supply and demand of natural gas are in line with the Company's expectations; the Company's average Additional Gas sales are in line with forecasts; accurate assessment by the Company of the merits of its claim under the Notice of Dispute and the RFAs; that the amount of damages recoverable by the Company under the Notice of Dispute and RFAs will be in line with expectations; extension of the Songo Songo development licence and maintenance of gas sale contract discipline on a go-forward basis pursuant to the Company's gas supply agreements; that the outcomes, benefits, and results of the Transaction are in

line with the Company's expectations; the ability of the Company and the Purchasers to satisfy the terms and conditions of the Share Purchase Agreement; that the Transaction will receive required Tanzanian regulatory and TSXV approvals; the Company's relationship with the GoT and TPDC; 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 there will continue to be no restrictions on the movement of cash from Mauritius, Jersey or Tanzania; availability of US dollars and that the Company will continue to be able to convert Tanzanian shillings into US dollars as required; that the Company will successfully negotiate agreements; receipt of required regulatory approvals; the ability of the Company to increase production as required to meet demand; infrastructure capacity; commodity prices will not 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 labor; timing and amount of capital expenditures; uninterrupted access to infrastructure; that the impact of increasing competition is consistent with expectations; conditions in general economic and financial markets; effects of regulation by governmental agencies; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; the effect of new environmental and climate-change related regulations will not negatively impact the Company; the Company is able to maintain strong commercial relationships with the GoT and other state and parastatal organizations; the current and future administration in Tanzania continues to honor the terms of the PSA and the Company's other principal agreements; and other matters.

The forward-looking information contained in this news release is 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.