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FOR IMMEDIATE RELEASE

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Orca Exploration announces its result for the three months ended 31 March 2009

TORTOLA, British Virgin Islands. Orca Exploration Group Inc ("Orca Exploration" or the "Company") announces its results for the three months ended 31 March 2009.

Financial and Operating Highlights

Three months ended	31-Mar 2009	31-Mar 2008	Change
Financial (US$'000 except where otherwise stated)			
Revenue	**4,443**	5,284	(16%)
Profit before taxation	**322**	270	19%
Operating netback (US$/mcf)	**2.18**	2.21	(1%)
Cash and cash equivalents	**9,710**	12,521	(22%)
Working capital	**9,154**	8,297	10%
Shareholders' equity	**64,684**	72,053	(10%)
(Loss) per share - basic and diluted (US$)	**(0.01)**	(0.00)	n/m
Funds from operations before working capital changes	**1,458**	2,391	(39%)
Funds per share from operations before working capital changes - basic and diluted (US$)	**0.05**	0.08	(38%)
Outstanding Shares ('000)			
Class A shares	**1,751**	1,751	(0%)
Class B shares	**27,788**	27,863	(0%)
Options	**2,797**	2,847	(2%)
Operating			
Additional Gas sold – industrial (MMscf)	**360**	322	12%
Additional Gas sold – power (MMscf)	**1,570**	1,983	(21%)
Average price per mcf – industrial (US$)	**7.91**	11.55	(32%)
Average price per mcf – power (US$)	**2.39**	2.05	17%

Highlights

- Increased capacity of the gas processing plant on Songo Songo Island by 29% to 90 MMscfd. Acting as operator, Orca made equipment and facilities changes approved by the owner of the facilities, Songas Limited. The capacity of the plant was re-rated by Lloyds Register to 55 MMscfd per train, with a plant limit of 90 MMscfd in January 2009 and it is forecast that the additional capacity will be utilised in the second half of 2009.

- Increased profit before taxation by 19% to US$0.32 million (Q1 2008: US$0.27 million) despite a 16% decrease in revenue. Funds from operations before working capital changes were US$1.5 million (Q1 2008: US$2.4 million).

- Increased Q1 2009 sales of Additional Gas to Dar es Salaam industrial customers by 12% to 360 MMscf or 4.0 MMscfd (Q1 2008: 322 MMscf or 3.5 MMscfd). Given the decline in world oil prices, average industrial prices were down 32% at US$7.91/mcf (Q1 2008: US$11.55/mcf), but remained robust over the period, and are largely protected by a floor gas price which shields sales from low oil prices.

- Q1 2009 sales of Additional Gas to the power sector declined by 21% to 1,570 MMscf or 17.4 MMscfd (Q1 2008: 1,983 MMscf or 21.8 MMscfd) primarily due to insufficient transmission capacity from the new 102 MW Wärtsilä power plant during the quarter. The average price for the gas increased 17% to US$2.39/mcf (Q1 2008: US$2.05/mcf) in line with long term pricing agreements.

- Commenced the sale of Additional Gas to the Wazo Hill cement plant ahead of schedule. It is expected that sales to Wazo Hill will average 2 MMscfd from Q2 2009. Potentially sales could exceed 5 MMscfd during 2009 if the owners of the plant, Tanzanian Portland Cement Company, determine that there is sufficient demand to operate all its kilns simultaneously.

- Connected 4 new industrial customers and added 1 kilometre to the low pressure gas distribution system at Dar es Salaam.

- Continued construction of CNG facilities in Dar es Salaam, consisting of a compressor, a vehicle refuelling dispenser and two trailer filling facilities at the “Mother Station” and three “Daughter Stations” for the supply of some industries, hotels and one institution at a cost of US$2.5 million. The CNG facilities are expected to be operational at the end of Q2 2009 and lead to 0.7 MMscfd of CNG sales.

President & CEO's Letter to Shareholders

Medium and longer term demand for Additional Gas produced by Orca Exploration from Tanzania's Songo Songo field continues to show steady and significant growth. Prospects for a sustained increase in gas demand by both the power and industrial sectors remain excellent.

Currently the maximum demand for Orca's Additional Gas by the power sector is approximately 28 MMscfd. This is expected to increase by 32% to 37 MMscfd in Q4 2009 when the new 45 MW Tegeta power plant becomes operational.

The number of Orca's industrial customers in the Dar es Salaam area continues to grow with 4 new customers connected in Q1 2009. This brings the total number of industrial customers connected to 24, and a total of 31 customers contracted. New markets are also being developed to reach beyond Orca's low pressure gas distribution system at Dar es Salaam with the construction of new CNG compression and distribution facilities that are scheduled to be in operation by the end of Q2 2009.

To ensure that Orca is positioned to meet these demands, Orca took decisive steps in Q1 2009 to increase the capacity of the infrastructure that processes and transports gas from the Songo Songo field to Dar es Salaam. The overall system capacity has now been increased by 29% to 90 MMscfd. This enables the Company to sell and deliver up to 45 MMscfd of Additional Gas compared with 25-30 MMscfd before the system capacity was increased. This capacity increase removes a major constraint that had previously limited the Company's ability to fully meet gas demand on some occasions during 2008.

Orca is currently undertaking additional work on the gas processing facilities to increase capacity to 110 MMscfd by the end of 2009. Each of the gas processing trains has been tested and certified to 55 MMscfd by Lloyds Register, but there is a plant limit of 90 MMscfd . The Company is simultaneously conducting pipeline tests and engineering studies to assess whether the high pressure pipeline that transport the gas from the Songo Songo field to Dar es Salaam has sufficient capacity to handle these additional processed volumes.

Since 2006, Songas Limited has been looking to increase the capacity of its infrastructure by installing two additional gas processing trains. In the event that the planned expansion by Songas does not proceed, Orca is developing a contingency plan to expand the gas processing capability and pipeline capacity to 200 MMscfd. This production level would be consistent with the forecast peak demand that could be met with current 2P Songo Songo reserves. If Orca decided to proceed with the contingency plan, the Company would seek third party finance for the expansion, with the objective of having the project in place by 2012.

Power sector

The Tanzanian electricity utility, TANESCO is currently entering a transitional phase. The emergency gas fired generation that was introduced in 2006 (Dowans 120 MWs and Aggreko 48 MWs) is now being replaced by permanent generation capacity. As a result, Tanzania currently has 148 MWs of generation operating on Additional Gas compared to 210 MWs at this time last year. This is insufficient to meet current electricity demand and it is anticipated that there will be load shedding during the latter part of 2009. The situation will become acute if power transmission constraints with the existing facilities persist. In Q1 2009 the Wärtsilä 102 MW power plant was only able to operate at approximately 50% capacity.

TANESCO has taken steps to rectify the short term power generation shortfall. An additional 45 MWs of permanent generation is under construction at Tegeta in Dar es Salaam and is expected to be operational in Q4 2009. In addition, TANESCO has tendered for a new 100 MW power plant with the objective of it being operational in 2010. This plant, along with the existing gas fired generation, will be supplied with Additional Gas under the Portfolio Gas Sales Agreement with Orca that was initialled in June 2008. This agreement is currently being updated to take into account the change in generation capacity mix and infrastructure development considerations.

Over the longer term the Tanzanian Power Sector Master Plan is projecting annual growth in electricity demand of 7% to 10% per annum. This equates to approximately 100 MWs of new generation being added annually until 2016. To meet this demand, TANESCO has started planning for the construction of a 200 – 250 MW power plant at Kinyerezi, Dar es Salaam. If built, this plant would require approximately 40 - 50 MMscfd. Negotiation of the Kinyerezi power plant gas supply contract is expected to commence in the second half of 2009, once the initialed contracts are signed. TANESCO has indicated that it is targeting Kinyerezi being operational by 2012.

Industrial sector

The Company has commenced selling gas to Tanzania Portland Cement Company ("TPCC"), the owner of the expanded Wazo Hill cement plant in Dar es Salaam. The new US$100 million Kiln 4 is expected to be fully operational in June 2009 and will consume a minimum of 2 MMscfd for the remainder of the year. Orca is currently discussing the possibility of further gas sales to TPCC later in 2009 to enable all of its kilns to operate simultaneously before two of the kilns are shut down for major maintenance.

Orca continues to increase the number of its industrial customers. During Q1 2009, 4 new industrial customers were connected adding 0.2 MMscfd of demand and increasing the total customers connected to 24, with a total of 31 customers contracted. The low pressure pipeline system was extended by 1 kilometer to connect these customers and now totals 43 kilometers.

Due to the diversified nature of Orca's customers, the current global recession is not expected to have a significant impact on 2009 industrial sales.

Compressed Natural Gas (CNG)

Major work was completed in Q1 2009 on the new CNG "Mother Station" in Dar es Salaam consisting of a compressor, a vehicle refueling dispenser and two trailer filling facilities. Three "Daughter Stations" are also being added to supply some Dar es Salaam industries, hotels and one institution beyond the reach of Orca's low pressure gas pipeline. The CNG facilities, being constructed at a cost of US$2.5 million, are expected to be operational at the end of Q2 2009 and lead to 0.7 MMscfd of CNG sales. CNG deliveries outside Dar es Salaam will commence with supply to the Mikocheni region, followed by supply to the City of Morogoro.

Financial Results

The Company generated funds flow before working capital changes of US$1.5 million during Q1 2009 despite lower gas sales to the power sector and a decrease in the price of gas to industrial customers. Increases are expected to continue through 2009 as the Wazo Hill cement plant consumes more gas and Tanzania enters its dry season during which gas fired power generation increases.

Orca is also cutting General and Administrative ("G&A") costs. In Q1 2009, this resulted in a reduction in G&A expenses despite there being an increase in personnel in Tanzania to manage growth in downstream gas activities and customers.

The Company currently has cash on hand of approximately US$9.7 million and working capital of US$9.2 million.

Outlook

During 2009, Orca's management will focus on monetising the Company's proven (1P) Additional Gas reserves that increased by 26% at the end of 2008 to 389 Bcf (2P reserves: 491 Bcf).

Your Company is a leader in developing Tanzania's natural gas reserves and in ventures that are increasing Tanzania's domestic energy self-reliance. Despite economic uncertainties in other parts of the world, this is the right time to be developing and marketing hydrocarbon resources in Tanzania and in sub-Saharan Africa. The demand for cleaner, lower cost fossil fuels is growing, the Songo Songo gas production infrastructure continues to be developed and our team of dedicated employees is working to add additional gas reserves.

As always, management is aware that Orca Exploration's vitality is always dependent on our skilled and dedicated employees and our loyal shareholders. We look forward to continued growth and profitability over the course of 2009.

Consolidated Income Statements **(unaudited)**

ORCA EXPLORATION GROUP INC.

	Three months ended	
	31-Mar	31-Mar
(thousands of US dollars except per share amounts)	**2009**	2008
Revenue	**4,443**	5,284
Cost of sales		
Production and distribution expenses	**(305)**	(276)
Depletion expense	**(753)**	(1,406)
	3,385	3,602
Administrative expenses	**(3,045)**	(3,095)
Net financing charges	**(18)**	(237)
Profit before taxation	**322**	270
Taxation	**(490)**	(413)
(Loss) after taxation	**(168)**	(143)
(Loss) per share		
Basic and diluted (US$)	**(0.01)**	(0.00)

Consolidated Balance Sheets (unaudited)

ORCA EXPLORATION GROUP INC

(thousands of US dollars)	**31-Mar 2009**	31-Dec 2008
ASSETS		
Current assets		
Cash and cash equivalents	**9,710**	10,586
Trade and other receivables	**8,319**	13,196
	18,029	23,782
Exploration and evaluation assets	**687**	648
Property, plant and equipment	**61,893**	60,818
	62,580	61,466
	80,609	85,248
LIABILITIES		
Current liabilities		
Trade and other payables	**8,875**	14,055
Non current liabilities		
Deferred income taxes	**6,000**	5,510
Deferred additional profits tax	**1,050**	971
	15,925	20,536
SHAREHOLDERS' EQUITY		
Capital stock	**66,369**	66,537
Capital reserve	**4,023**	3,715
Accumulated (loss)	**(5,708)**	(5,540)
	64,684	64,712
	80,609	85,248

Consolidated Statements of Cash Flows (unaudited)

ORCA EXPLORATION GROUP INC

	Three months ended	
	31-Mar	31-Mar
(thousands of US dollars)	**2009**	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) after taxation	**(168)**	(143)
Adjustment for :		
Depletion and depreciation	**777**	1,422
Stock-based compensation	**296**	654
Deferred income taxes	**490**	413
Deferred additional profits tax	**79**	90
Interest income	**(16)**	(45)
	1,458	2,391
Decrease in trade and other receivables	**4,877**	939
Decrease in trade and other payables	**(4,431)**	(2,494)
Net cash flows from operating activities	**1,904**	836
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation expenditures	**(39)**	(419)
Property, plant and equipment expenditures	**(1,852)**	(1,017)
Interest income	**16**	45
Decrease in trade and other payables	**(749)**	(3,437)
Net cash used in investing activities	**(2,624)**	(4,828)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Normal course issuer bid	**(156)**	(2)
Net cash flow used in financing activities	**(156)**	(2)
Decrease in cash and cash equivalents	**(876)**	(3,994)
Cash and cash equivalents at the beginning of the period	**10,586**	16,515
Cash and cash equivalents at the end of the period	**9,710**	12,521

Statement of Changes in Shareholders' Equity (unaudited)

ORCA EXPLORATION GROUP INC

(thousands of US dollars)	Capital stock	Capital reserve	Accumulated Income/ (loss)	Total
Balance as at 1 January 2008	66,538	1,023	3,983	71,544
Stock-based compensation	-	654	-	654
Normal course issuer bid	(1)	(1)	-	(2)
Loss for the period	-	-	(143)	(143)
Balance as at 31 March 2008	66,537	1,676	3,840	72,053

(thousands of US dollars)	Capital stock	Capital reserve	Accumulated Income/ (loss)	Total
Balance as at 1 January 2009	66,537	3,715	(5,540)	64,712
Stock-based compensation	-	296	-	296
Normal course issuer bid	(168)	12	-	(156)
Loss for the period	-	-	(168)	(168)
Balance as at 31 March 2009	66,369	4,023	(5,708)	64,684