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FOR IMMEDIATE RELEASE

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Orca Exploration announces its results for the quarter ended 30 September 2012

TORTOLA, British Virgin Islands. Orca Exploration Group Inc ("Orca Exploration" or the "Company") announces its results for the quarter ended 30 September 2012.

Highlights

- Running at the maximum plant and pipeline capacity, the Company delivered Additional Gas sales volumes averaging 57.5 MMcfd for the quarter, up 6% over Q2 (Q3 2011: 56.1 MMcfd).
- A 23% increase in Industrial Gas sales volumes and a 28% increase in Power Gas prices, together with a higher revenue share from cost recovery combined to deliver record funds from operations before working capital changes of US$14.1 million (US$0.41 per share) for the quarter – a 44% increase over Q2 (US$9.9 million or $0.28 per share) and 170% over Q3 2011 ($5.3 million or $0.15 per share).
- Profit after tax for the quarter was down 75% from Q2 to US$1.3 million or US$0.04 per share (Q2 2012: US$5.2 million or US$0.15) a result of writing off US$7.5 million in costs associated with the La Tosca Italy exploration well.
- Working capital at the end of the quarter of $37.7 million including cash of $23.3 million, down 2% and up 15% respectively over Q2, primarily the result of drilling SS-11 offset by the drawdown of US$6.0 million in a new bank financing and the receipt of some TANESCO payments during the quarter.
- Some progress has been made regarding TANESCO payments – the Company received US$13.2 million from the state utility during the quarter and a further US$9.5 million since the end of the quarter. At the end of Q3, the TANESCO receivable stood at US$31.2 million (including arrears of US$26.8 million), up 5% from US$29.6 million (including arrears of US$25.6 million) at the end of Q2. As at the date of this report TANESCO arrears total US$21.7 million.
- The new production well SS-11 was brought onstream 3 October and is currently producing approximately 38 MMcfd of natural gas.
- The SS-9 well, which was producing approximately 30 MMcfd, was planned to be shut in and used only as spare capacity until SS-12 could be drilled. During the quarter, rising casing annulus pressures resulting from a tubing leak dictated that SS-9 be permanently suspended. With a similar rise in casing annulus pressure, a decision was taken to suspend SS-3 to ensure continued safe operations in the field.

- In August, the Government issued an order to redirect all gas volumes to the state utility until 31 December 2012 to aid in emergency power generation. The Company in collaboration with the Government identified a solution which provided TANESCO with sufficient volumes of gas without compromising the Company's Industrial Gas customers.
- Construction has commenced on the pipeline infrastructure expansion project in Tanzania – the government has stated that the 532km pipeline and its associated facilities are expected to be completed and commissioned in 18 months. The Company is developing a plan with TPDC which would double deliverability to 200MMscfd by the time the infrastructure expansion is complete. Any commitments by the Company to proceed are subject to resolution of TANESCO payments, GNT issues, satisfactory commercial arrangements and financing.
- On 1st November 2012, the Government of Tanzania issued a draft natural gas policy for review and consultation among the various stakeholders. The draft policy contemplates a restructuring of TPDC, strategic participation throughout the upstream, midstream and downstream sectors, ownership and control over gas infrastructure and setting domestic natural gas prices. The Company has been asked to submit its views on the draft policy.
- Drilling of the La Tosca well in the Longastrino exploration block in the Po Valley, Northern Italy commenced on 7 August 2012; the well reached total depth on 27 August and has been plugged and abandoned having encountered gas shows. Orca has earned a 70% working interest and, subject to government approval, operatorship of the block. The Company intends to review the technical and drilling data to determine whether or not to continue exploration on the block.

Financial and Operating Highlights

	THREE MONTHS ENDED OR AS AT			NINE MONTHS ENDED OR AS AT		
	30 Sep 2012	30 Sep 2011	*Change*	**30 Sep 2012**	30 Sep 2011	*Change*
Financial *(US$'000 except where otherwise stated)*						
Revenue	**22,425**	10,457	*114%*	**56,545**	28,393	*99%*
Profit before taxation	**6,310**	1,289	*389%*	**25,136**	6,660	*277%*
Operating netback *(US$/mcf)*	**3.14**	1.78	*76%*	**2.75**	1.88	*46%*
Cash and cash equivalents	**23,289**	42,632	*(45%)*	**23,289**	42,632	*(45%)*
Working capital	**37,730**	58,369	*(35%)*	**37,730**	58,369	*(35%)*
Shareholders' equity	**120,204**	101,563	*18%*	**120,204**	101,563	*18%*
Earnings per share - basic *(US$)*	**0.04**	0.00	*n/a*	**0.37**	0.08	*363%*
Earnings per share - diluted *(US$)*	**0.04**	0.00	*n/a*	**0.36**	0.08	*350%*
Funds flow from operating activities	**14,379**	5,323	*170%*	**34,250**	13,562	*153%*
Funds per share from operating activities - basic *(US$)*	**0.42**	0.15	*193%*	**0.99**	0.39	*154%*
Funds per share from operating activities - diluted *(US$)*	**0.41**	0.15	*186%*	**0.97**	0.38	*155%*
Net cash flows from operating activities	**9,088**	(2,457)	*n/a*	**21,430**	3,181	*574%*
Net cash flows per share from operating activities - basic *(US$)*	**0.26**	(0.07)	*n/a*	**0.62**	0.09	*578%*
Net cash flows per share from operating activities - diluted *(US$)*	**0.26**	(0.07)	*n/a*	**0.61**	0.09	*581%*
Outstanding Shares *('000)*						
Class A shares	**1,751**	1,751	*0%*	**1,751**	1,751	*0%*
Class B shares	**32,743**	32,939	*(1%)*	**32,743**	32,939	*(1%)*
Options	**2,172**	2,807	*(23%)*	**2,172**	2,807	*(23%)*
Operating						
Additional Gas sold *(MMcf)* - industrial	**1,022**	719	*42%*	**2,686**	1,957	*37%*
Additional Gas sold *(MMcf)* - power	**4,270**	4,442	*(4%)*	**12,415**	10,201	*22%*
Additional Gas sold *(MMcfd)* - industrial	**11.1**	7.8	*42%*	**9.8**	7.2	*36%*
Additional Gas sold *(MMcfd)* - power	**46.4**	48.3	*(4%)*	**45.3**	37.4	*21%*
Additional Gas sold *(MMcfd)* - total	**57.5**	56.1	*2%*	**55.1**	44.6	*24%*
Average price per mcf *(US$)* - industrial	**9.21**	10.47	*(12%)*	**9.62**	10.10	*(5%)*
Average price per mcf *(US$)* - power	**3.55**	2.76	*28%*	**3.03**	2.69	*13%*

Chairman & CEO's Letter to Shareholders

Orca Exploration is encouraged by many positive accomplishments in Q3 2012. This is good news as we continue to navigate our way through the most challenging year in Orca's history. With the commissioning of our new SS-11 well the Songo Songo field has never been in better operational shape from the perspective of wellbore integrity and reliability. We continue to deliver gas at capacity to hungry markets. We posted record financial results in Q3 and we continue to make tangible progress in recovering past due payments from TANESCO.

We are also encouraged that the Government is delivering on the pipeline infrastructure project. The long awaited expansion of pipeline and facilities capacity has begun and we are working to take the Company to the next level in production. Orca is privileged to be playing a key role in meeting Tanzania's near-to-medium term energy strategy objectives.

However we continue to face substantial uncertainties that still need resolution. It is Orca's highest priority to remove those risks that cast a shadow over our operations in Tanzania. To do this we will continue to work closely with the Government towards a full and fair resolution. During the quarter no real progress was made in concluding and documenting the issues agreed in principle with the Government Negotiating Team ("GNT") in July. At that time we had reached an agreement with the GNT on a number of major points to resolve critical issues. Recognising that resolution of these issues is a major impediment to committing to further field development in Tanzania, Orca has asked the Ministry of Energy and Mines ("MEM") to foster the necessary collaboration to resolve these matters and bring them to a conclusion. Based on the progress made to date on TANESCO payments, Orca continues to believe that MEM has the vision and commitment to facilitate a successful completion of the GNT process.

Resolving uncertainties

TANESCO payments are foremost in the minds of our shareholders and management. We are pleased to report that as a result of close collaboration with MEM and new TANESCO management, progress has been made in reducing TANESCO past due accounts. The Company has received US$22.7 million over the past five months and the arrears have been reduced to US$21.7 million. We continue to work closely with the Government towards a full resolution. The Company received US$13.2 million from the state utility during Q3 and a further US$9.5 million since the end of the quarter. At the end of Q3, the TANESCO receivable stood at US$31.2 million (of which US $26.8 million was in arrears), up 5% from US$29.6 million (US$25.6 million in arrears) at the end of Q2.

A viable state utility is a critical component to delivering Tanzania's industrialization and economic growth strategy going forward. An emergency power plan was established a number of years ago as a result of the lack of infrastructure capacity in Tanzania to move additional natural gas to fire much needed power plants. The plan placed TANESCO in the untenable position of having to purchase both high cost independently generated power and large volumes of high cost liquid fuels to generate power without offsetting increases in power prices. There is a cost of service study ongoing by the Tanzanian regulator, EWURA, the result of which is expected to be recommendations to increase power prices in early 2013. Power prices reflecting the real cost of service in the country, together with a changing fuel mix weighted towards natural gas, are expected to restore the state utility to a viable business model by the time the pipeline expansion is commissioned in 2014.

Draft natural gas policy review

On 1 November 2012, the Government of Tanzania issued a draft natural gas policy for review and consultation with stakeholders. The new policy contemplates a restructuring of Tanzania Petroleum Development Corporation ("TPDC") to participate across the upstream, mid-stream and downstream sectors of the industry through a national oil company and to regulate the industry through a new regulatory body.

The Government's stated objective for mid-stream and downstream sector in the draft policy is to promote the development of facilities for natural gas processing, liquefaction, transportation, storage and distribution to ensure reliability of supply. The draft policy contemplates a restructured TPDC acting as a national aggregator of natural gas, owning and managing natural gas infrastructure.

The draft policy does not contemplate market driven gas prices, but rather a government role in establishing "an appropriate pricing structure" which can both encourage economic use of the system capacities and as well provide incentives for promoting investment.

The draft policy also contemplates strategic involvement by the Government in the LNG value chain and the promotion of efficient LNG production as well as management of natural gas revenues, local content, community & social responsibilities and issues of transparency and accountability.

The Oil and Gas Association of Tanzania ("OGAT"), of which Orca is a member, has prepared a submission on behalf of industry on the draft policy. A copy of the draft policy is available on the Company's website. It is possible that the final terms of the draft Natural Gas Policy may vary from the initial draft and the Company is monitoring developments closely as the draft policy as originally proposed could have a significant effect on the Company's business operations.

Financial results

To meet constant high demand, Orca continued to operate at maximum plant and pipeline capacity. The Company delivered Additional Gas sales volumes averaging 57.5 MMcfd for the quarter, up 6% over Q2 (Q3 2011: 56.1 MMcfd). A 23% increase in Industrial Gas sales volumes and a 27% increase in Power Gas prices, together with a higher revenue share from cost recovery, combined to deliver record funds from operations before working capital changes of US$14.4 million (US$0.41 per share) for the quarter. This represents a 44% increase over Q2 (US$9.9 million or US$0.28 per share) and 170% over Q3 2011 (US$5.3 million or US$0.15 per share). Management currently expects the Songo Songo Production Sharing Agreement ("PSA") cost pools to be fully recovered by year end. If the cost pools had been fully recovered at the beginning of the quarter, funds from operations for the quarter would have been approximately US$8.0 million (US$0.23 per share), a result of the higher revenue interest of TPDC in the PSA after cost recovery. Profit after tax for the quarter was down 75% to US$1.3 million or US$0.04 per share over Q2 (Q2 2012: US$5.2 million or US$0.15 per share) as a result of writing off US$7.5 million in costs associated with the La Tosca Italy exploration well.

Average Power Gas sales prices were up over Q2 to US$3.55/Mcf from US$2.80/Mcf, a result of higher prices provided under the Portfolio Gas Sales Agreement with TANESCO. Weaker liquids fuels prices drove a 9% reduction in Industrial Gas sales prices to US$9.21/Mcf from US$10.14/Mcf in Q2.

The Company remains in a strong financial position with working capital at the end of the quarter of US$37.7 million including cash of US$23.3 million, down 2% and up 15% respectively over Q2 2012. The cost of drilling of the SS-11 well was offset by the drawdown of US$6.0 million in bank financing and the receipt of some TANESCO payments during the quarter.

Bank financing

During the quarter, the Company closed a US$10 million secured bridge loan facility with a Tanzania bank to assist in working capital whilst the TANESCO payment issues are being resolved. The facility has a term of 18 months and is to be repaid in equal installments beginning in March 2013. During the quarter, the Company drew US$6.0 million under the facility. Once the TANESCO payments and GNT issues are resolved, the Company will be in a position to proceed with a reserve-backed facility to finance development. Depending on the time required for resolution of these issues, the Company may secure other financing to support its operations.

Tanzania operations

At the end of the quarter Orca brought the SS-11 production well onstream serving to maintain and strengthen deliverability of the Company's Songo Songo gas production. SS-11 was drilled as a directional well from onshore Songo Songo Island and was completed in May 2012. SS-11 is currently producing approximately 38 million cubic feet per day ("MMcfd") of natural gas through a six-inch diameter Technip Coflexip® pipe laid along the seabed to achieve an efficient natural cooling of the gas stream prior to the plant inlet.

The installation involved developing innovative solutions to a number of engineering challenges which were met entirely by local Tanzanian contractors and suppliers who delivered the project on budget and in approximately one-third the time of other solutions. The project achieved some significant milestones in Tanzania, including the first offshore heavy lift achieved in East Africa and the first shallow water application of the technically advanced Coflexip® pipe in East Africa.

SS-11 is an important addition to the production wellbore inventory of Songo Songo. The production equipment originally installed in the SS-9, SS-5, SS-4 and SS-3 wells drilled by TPDC between 1976 and 1983 has reached the end of its useful life. The SS-10 well was drilled by the Company in 2007 and is currently producing approximately 40 MMcfd. With SS-11 now onstream Orca has taken the SS-9 well off production and suspended it as planned. It is anticipated that production from the new SS-11 well can be increased to over 40 MMcfd with a debottlenecking of the gas gathering infrastructure, expected to be completed over the next number of months.

The SS-9 well, which was producing approximately 30 MMcfd, was planned to be shut in and used only as spare capacity until SS-12 could be drilled. During the quarter, rising casing annulus pressures resulting from a tubing leak dictated that SS-9 be permanently suspended. In connection with the SS-9 suspension, the Company assessed the integrity of SS-3 and SS-4, which were producing a total of approximately 18 MMcfd. With a similar rise in casing annulus pressure suggesting a tubing leak, a decision was taken to suspend SS-3 to ensure continued safe operations in the field. The Company plans to make up the production shortfall with additional volumes from SS-10 and SS-11. As a result no material change in field production levels of approximately 101 MMcfd is currently anticipated. There will be, however, no redundant capacity in the facility or pipeline until additional wells can be drilled in the field and facilities expanded.

Plans to drill an additional development well, SS-12, and an appraisal well at Songo Songo West were placed on hold in mid-2012. Until the outstanding TANESCO receivables have been paid and the re-negotiation of certain terms of the Songo Songo Production Sharing Agreement with the Government and related issues arising from the GNT have been fully resolved, Orca will be unable to proceed with drilling either of these wells.

Pipeline construction has commenced

On 8 November, His Excellency Jakaya Kikwete, President of the United Republic of Tanzania, formally commissioned the start of construction of the Mnazi Bay to Dar es Salaam Gas Pipeline Project, which will tie into expanded Songo Songo facilities onshore at Somanga Funga. The Government has stated that the 532km pipeline and its associated facilities are expected to be completed and commissioned in 18 months. This US$1.2 billion infrastructure expansion project is expected to provide Orca with much needed process and pipeline capacity expansion at Songo Songo. The Company had initial technical consultations with the project manager and Songo Songo partner, TPDC, in mid-November. The Company's current objective is to have approximately 200 MMcfd of total gas (approximately 160 MMcfd Additional Gas sales) onstream by the end of 2014 and a field development plan is being prepared for discussion with TPDC. In addition to the outstanding matters of TANESCO payments and GNT issues, the Company has yet to establish any commercial or contractual basis for the processing, transportation or sale of these incremental volumes. All these matters will be required to be resolved prior to our commitment to proceed.

As the Company reported over the past several quarters, power supply is an acute issue for Tanzania aggravated by the lack of rains to fill reservoirs for hydro generation. The Government issued an order in August 2012 to the Company to redirect all gas volumes (including sales to Industrial Gas customers) to TANESCO until 31 December 2012 to aid in emergency power generation. The Company responded immediately and in collaboration with the Government, identified a solution which provided TANESCO with sufficient volumes of gas without compromising the Company's Industrial Gas customers.

Italian operations

In the Longastrino Block in the Po Valley region of Northern Italy the La Tosca farm-in well was spud on 7 August 2012. It reached total depth of 2,335 metres and was plugged and abandoned in early September having encountered gas shows. The drilling indicated a more limited reservoir sand development than expected from earlier extrapolation of data from nearby wells. The partners concluded that the data did not provide a sufficiently strong economic case to warrant well completion and testing. Total cost of the well to the Company was US$7.5 million, which was written off during the quarter. As a result of the drilling, the Company has earned a 70% working interest and once approved as the new operator, Orca intends to review the technical and drilling data to determine whether to continue exploration on the block.

During the quarter, the Elsa offshore Italy opportunity cleared an important regulatory hurdle. Legislative Decree 83/2012 (the "Decree"), published on 26 June 2012 was approved by both houses of the Italian Parliament with no substantial modifications. On 12 August 2012, the Decree became law following publication in the Italian Official Journal. The new law modifies restrictions on offshore oil and gas exploration and production originally introduced by DLGS 128/2010 in August 2010. Petroceltic plc, the operator of the permit has stated that the new legislation removes the existing uncertainty concerning exploration, development and production activities in Italian waters clearing the way for a new application.

Moving forward

Orca remains firmly committed to Tanzania and the development of the country's natural gas resources. In our continued commitment to Tanzania, we are strengthening our in country management team. Shareholders, and in particular those who have been with the Company since its predecessors, will be pleased to know we have appointed David K. Roberts as Orca's Vice President Operations based in Dar es Salaam. From 1999 to 2006 Mr. Roberts was instrumental in managing PanOcean Energy's growth in Gabon from 400 barrels of oil per day ("bpd") to 20,000 bpd.

Against a backdrop of solid operating and financial performance Orca is making tangible progress on the issues that have interrupted the Company's exploration and development program in Tanzania. In the past few months we have demonstrated that Orca and the Government of Tanzania can collaborate successfully in moving towards solutions that are aligned with our common interests. We fully intend to continue on this path and build on this positive working relationship.

Condensed Consolidated Interim Statement of Comprehensive Income/Loss (unaudited)

ORCA EXPLORATION GROUP INC.

(Figures in US$'000 except per share amounts)	NOTE	THREE MONTHS ENDED **30 Sep 2012**	30 Sep 2011	NINE MONTHS ENDED **30 Sep 2012**	30 Sep 2011
REVENUE		**22,425**	10,457	**56,545**	28,393
Cost of sales					
Production and distribution expenses		**(1,497)**	(1,800)	**(4,624)**	(4,009)
Depletion expense		**(2,324)**	(2,647)	**(6,279)**	(5,957)
		18,604	6,010	**45,642**	18,427
General and administrative expenses		**(4,391)**	(4,399)	**(12,322)**	(10,736)
Exploration asset impairment	*3*	**(7,496)**	–	**(7,496)**	–
Net finance costs		**(407)**	(322)	**(689)**	(1,031)
Profit before taxation		**6,310**	1,289	**25,135**	6,660
Taxation	*2*	**(5,044)**	(1,343)	**(12,310)**	(3,941)
Profit/(loss) after taxation and comprehensive income		**1,266**	(54)	**12,825**	2,719
EARNINGS/(LOSS) PER SHARE					
Basic (US$)		**0.04**	(0.00)	**0.37**	0.08
Diluted (US$)		**0.04**	(0.00)	**0.36**	0.08

Condensed Consolidated Interim Statement of Financial Position (unaudited)

ORCA EXPLORATION GROUP INC.

(Figures in US$'000)	NOTE	AS AT 30 Sep 2012	31 Dec 2011
ASSETS			
Current assets			
Cash and cash equivalents		**23,289**	34,680
Trade and other receivables		**62,285**	40,348
Taxation receivable		**15,078**	5,880
Prepayments		**499**	302
		101,151	81,210
Non-current assets			
Exploration and evaluation assets	*3*	**5,451**	2,921
Property, plant and equipment	*4*	**103,383**	67,713
		108,834	70,634
Total assets		**209,985**	151,844
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		**50,753**	22,801
Bank loan	*7*	**5,800**	–
Taxation payable		**6,867**	2,403
		63,420	25,204
Non-current liabilities			
Deferred income taxes	*2*	**19,285**	15,194
Deferred additional profits tax	*2*	**7,076**	4,787
		26,361	19,981
Total liabilities		**89,781**	45,185
EQUITY			
Capital stock	*6*	**84,610**	84,610
Contributed surplus		**6,988**	6,268
Accumulated income		**28,606**	15,781
		120,204	106,659
Total equity and liabilities		**209,985**	151,844

Condensed Consolidated Interim Statement of Cash Flows (unaudited)

ORCA EXPLORATION GROUP INC.

(Figures in US$'000)	NOTE	THREE MONTHS ENDED **30 Sep 2012**	THREE MONTHS ENDED 30 Sep 2011	NINE MONTHS ENDED **30 Sep 2012**	NINE MONTHS ENDED 30 Sep 2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit after taxation		**1,266**	(54)	**12,825**	2,719
Adjustment for:					
Depletion and depreciation	*4*	**2,393**	2,741	**6,549**	6,142
Exploration assets impairment	*3*	**7,496**	–	**7,496**	–
Stock-based compensation		**80**	493	**701**	403
Deferred income taxes		**2,019**	718	**4,091**	1,406
Deferred additional profits tax		**900**	1,158	**2,289**	1,946
Interest income		**(2)**	(1)	**(4)**	(5)
Unrealised foreign exchange loss		**227**	268	**303**	951
		14,379	5,323	**34,250**	13,561
(Increase) in trade and other receivables		**(11,086)**	(8,802)	**(22,577)**	(14,120)
(Increase)/decrease in taxation receivable		**(2,293)**	559	**(9,198)**	(57)
(Increase)/decrease in prepayments		**342**	278	**(197)**	(102)
Increase in trade and other payables		**7,653**	779	**14,688**	4,582
Increase in taxation payable		**93**	(594)	**4,464**	(684)
Net cash flows from operating activities		**9,088**	(2,457)	**21,430**	3,181
CASH FLOWS USED IN INVESTING ACTIVITIES					
Exploration and evaluation expenditures		**(5,469)**	(1,016)	**(10,026)**	(1,554)
Property, plant and equipment expenditures		**(9,564)**	(2,909)	**(42,219)**	(5,320)
Interest received		**2**	1	**4**	5
Proceeds from sale of vehicle		**–**	–	**–**	5
Increase in trade and other payables		**3,413**	152	**13,817**	1,012
Net cash used in investing activities		**(11,618)**	(3,772)	**(38,424)**	(5,852)
CASH FLOWS FROM FINANCING ACTIVITIES					
Bank loan proceeds		**5,800**	**–**	**5,800**	–
Net cash from financing activities		**5,800**	**–**	**5,800**	–
Increase in cash and cash equivalents		**3,270**	(6,229)	**(11,194)**	(2,671)
Cash and cash equivalents at the beginning of the period		**20,194**	48,993	**34,680**	45,519
Effect of change in foreign exchange		**(175)**	(132)	**(197)**	(216)
Cash and cash equivalents at the end of the period		**23,289**	42,632	**23,289**	42,632

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

(unaudited)

ORCA EXPLORATION GROUP INC.

(US'000)	CAPITAL STOCK	CONTRIBUTED SURPLUS	ACCUMULATED INCOME	TOTAL
Balance as at 1 January 2011	85,100	5,288	7,795	98,183
Stock based compensation	–	661	–	661
Total comprehensive income for the period	–	–	2,719	2,719
Balance as at 30 September 2011	**85,100**	**5,949**	**10,514**	**101,563**

(US'000)	CAPITAL STOCK	CONTRIBUTED SURPLUS	ACCUMULATED INCOME	TOTAL
Note	*6*			
Balance as at 1 January 2012	84,610	6,268	15,781	106,659
Stock based compensation	–	720	–	720
Total comprehensive income for the period	–	–	12,825	12,825
Balance as at 30 September 2012	**84,610**	**6,988**	**28,606**	**120,204**

Orca Exploration is an international public company engaged in natural gas exploration, development and supply in Tanzania and oil appraisal and gas exploration in Italy. Orca Exploration trades on the TSXV under the trading symbols ORC.B and ORC.A.

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Forward Looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning, but not limited to, anticipated timing of completion and commissioning of pipeline in Tanzania and its associated facilities and the Company's plans to increase deliverability; the expected amount and timing of increased deliverability; anticipated effect of the infrastructure expansion project on Orca Exploration; the Company's plans to review technical and drilling data to determine whether or not to continue exploration on the Longastrino exploration block; the Company's progress in recovering past due payments from TANESCO and the Company's plans to work closely with the Government towards a resolution; Orca Exploration's expectations regarding the successful completion of the GNT process; anticipated results from the cost of service study ongoing by the Tanzanian regulator, EWURA; terms of the draft natural gas policy and the anticipated effect of the draft policy on the Company's business operations; expectations regarding timing of full recovery of the Songo Songo Production Sharing Agreement cost pools; terms of secured bridge loan facility with a Tanzania bank; the Company's plans to proceed with a reserve-backed facility to finance development once the TANESCO payments and GNT issues are resolved; the Company's plans to secure other financing to support its operations; expectations regarding ability to increase production from the new SS-11 well and the anticipated amount thereof; anticipated timing of completion of a debottlenecking of the gas gathering infrastructure; the Company's plans to make up a production shortfall with additional volumes from SS-10 and SS-11 wells; anticipated production volumes; and the Company's strategic plans.

These forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Orca Exploration's control, including, but not limited to, risk that the Company will not be able to fulfill its obligations; failure of counterparties to perform on contracts; failure to successfully negotiate contracts; the impact of general economic conditions in the areas in which Orca Exploration operates; civil unrest; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition; 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, drilling equipment and skilled personnel; failure to obtain required equipment for drilling; delays in drilling plans; failure to obtain expected results from drilling of wells; changes in laws; imprecision in reserve estimates; the production and growth potential of the Company's assets; obtaining required approvals of regulatory authorities; risks associated with negotiating with foreign governments; failure to obtain required funding; and ability to access sufficient capital. In addition there are risks and uncertainties associated with oil and gas operations, therefore Orca Exploration's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking estimates and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking estimates will transpire or occur, or if any of them do so, what benefits that Orca Exploration will derive therefrom.

Such forward-looking are based on certain assumptions made by Orca Exploration in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors Orca Exploration believes are appropriate in the circumstances, including, but are not limited to, infrastructure capacity; commodity prices will not deteriorate significantly; the ability of Orca Exploration to obtain equipment in a timely manner to carry out exploration, development and exploitation activities; future capital expenditures; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; that the Company 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; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; and future capital expenditures.

The forward-looking statements contained in this press release are made as of the date hereof and Orca Exploration 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