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FOR IMMEDIATE RELEASE

Orca Exploration announces 2015 year-end financial results and independent reserves evaluation

TORTOLA, British Virgin Islands 14 April 2016: Orca Exploration Group Inc. ("Orca" or "the Company") announces its financial results and its independent reserves evaluation for the year ended 31 December 2015. All currency amounts are in United States dollars unless otherwise stated.

- Revenue decreased 4% to US$54.1 million from US$56.6 million. The fall in revenue is the result of an 11% fall in total Additional Gas sales volumes, and a 6% fall in the weighted average sale price. The capital investment in the workover programme during the year increased the Company share of net revenue as a consequence of increased Cost Gas and a smaller Profit Gas allocation to the Tanzanian Petroleum Development Corporation ("TPDC"). This helped to offset the overall decline in revenue resulting from the drop in both volumes and prices. Funds flow from operating activities decreased 18% to US$26.6 million or US$0.76 per share basic and diluted, compared to US$32.4 million or US$0.93 per share basic and diluted in the prior period, primarily the result of lower revenue.

- Net income for the year was US$1.5 million or US$0.04 per share basic and diluted, as compared to loss of US$38.3 million or loss of US$1.10 per share in the prior year. The loss in 2014 was primarily due to a US$35.1 million provision against the receivable from the Tanzanian Electrical Supply Company ("TANESCO").

- Total gross proved conventional natural gas reserves decreased 18% to 368 Bcf from 450 Bcf in the prior year and total gross proved plus probable conventional natural gas reserves ("2P") decreased 17% to 417 Bcf from 504 Bcf in the prior year. The decrease in both is a consequence of 2015 Additional Gas production of 17.3 Bcf and the slower anticipated growth in power demand than previously communicated to the Company from the TPDC. The net present value of the estimated future cash flows of the 2P reserves at a 10% discount rate ("NPV10") decreased 14% to US$357 million from US$417 million in the previous year. The decline is a result of the fall in anticipated growth of the Power sector revenues which are anticipated to be realized at lower prices. The Company no longer considers it to be realistic that the Portfolio Gas Supply Agreement ("PGSA") gas prices will be rolled out given the industry competition that now exists in Tanzania.

- Total capital expenditures were US$38.4 million for the year. In June 2015 the Company entered into a drilling contract with Paragon Offshore plc for the use of its M826 Mobile Drilling Workover Rig, as well the provision of associated services, in order to execute the offshore phase of the development programme for the Songo Songo gas field (the "Offshore Programme"). The Offshore Programme commenced on 2 September 2015 and included the workovers on three existing wells (SS-5, SS-7 and SS-9) and drilling of one new well, SS-12. All workovers were successfully completed during the year while well SS-12 was successfully completed in February 2016. Upon completion of the Offshore Programme, the rig was released.

- On 29 October 2015, the Company and IFC completed a debt financing agreement for the Company's operating subsidiary, PanAfrican Energy Tanzania Limited to borrow up to US$60 million. The financing is a subordinated, income participating loan with flexible repayment terms and a maximum tenure of approximately 10 years. Drawdowns on the financing are subject to a number of terms and conditions. As at 31 December 2015, US$20 million of the facility had been drawn down, with the remaining US$40 million drawn in February 2016.

- TANESCO payments for 2015 continued to be irregular. During Q4 2015 TANESCO payments decreased with only US$4.5 million being received against sales of US$11.7 million. As at 31 December 2015 Management has reviewed the current position with TANESCO and feels that the policy implemented in 2014 is still appropriate and as a result, has reclassified a further US$9.8 million, the arrears in excess of 60 days, as long-term debt and has placed a full provision against this.

- The Company has an agreement to farm in on Central Adriatic B.R268.RG Permit in offshore Italy. Changes in Italian environmental legislation in late 2015 have resulted in the development of this permit being postponed indefinitely. As at the date of this press release, the Company has no further capital commitments in Italy.

- Further to the Company's press release dated 17 February 2016, Mr. David Lyons, the Chief Executive Officer and indirect controlling shareholder of Orca, has informed the Board of Directors that he is no longer evaluating a possible privatization transaction involving Orca. As a result, no privatization proposal will be forthcoming. At this time, there is no consideration of Orca undertaking a substantial issuer bid for its Class B Subordinate Voting Shares.

- The Board of Directors of Orca has called a shareholders meeting to be held on 7 June 2016.

Reserves Summary

The Company's conventional natural gas reserves as at 31 December 2015 for the period to the end of its licence in October 2026 were evaluated by independent petroleum engineering consultants McDaniel & Associates Consultants Ltd. ("McDaniel") in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). The independent reserves evaluation prepared by McDaniel (the "McDaniel Report") is dated 24 March 2016 with an effective date of 31 December 2015. A reserves committee of the Company reviews the qualifications and appointment of the independent reserves evaluator and reviews the procedures for providing information to the evaluators. Reserves included herein are stated on a company gross basis unless noted otherwise. All the Company's reserves are located in Tanzania. Additional reserves information required under NI 51-101 are included in Orca's reports relating to reserves data and other oil and gas information under NI 51-101, which have been filed on its profile on SEDAR at www.sedar.com.

The following tables outline the Company's conventional natural gas reserves as at 31 December 2015 and the net present value of future net revenue attributable to such reserves as evaluated in the McDaniel Report utilising forecast price and cost assumptions.

	Company Gross Reserves			**Company Net Reserves**		
	Light and Medium Crude Oil	**Natural Gas Liquids**	**Conventional Natural Gas**	**Light and Medium Crude Oil**	**Natural Gas Liquids**	**Conventional Natural Gas**
	Mbbl	*Mbbl*	*MMcf*	*Mbbl*	*Mbbl*	*MMcf*
Proved						
Developed Producing	-	-	245,928	-	-	158,514
Developed Non-Producing	-	-	-	-	-	-
Undeveloped	-	-	121,896	-	-	70,483
Total Proved	-	-	367,823	-	-	228,997
Probable	-	-	49,125	-	-	40,937
Total Proved plus Probable	-	-	416,949	-	-	269,934

(US$'000)	Net present value of future net revenues Before Future Income Tax Expenses[8] Discounted at 0%	5%	10%	15%	20%	Unit Value Before Tax at 10% $/Mcf
Proved						
Developing producing	393,687	294,629	229,225	184,596	153,197	1.45
Developed non-producing	-	-	-	-	-	-
Undeveloped	168,112	114,690	79,423	55,503	38,878	1.13
Total Proved	561,798	409,319	308,648	240,099	192,075	1.35
Probable	92,805	65,853	48,823	37,732	30,302	1.19
Total Proved plus Probable	654,603	475,172	357,471	277,832	222,377	1.32

Notes:

1. In the McDaniel Report, it has been assumed that TPDC will exercise its right to 'back in' to the field development associated with the SS-N well to earn a 20% increase in the profit share for the production emanating from these wells, the "back-in" rights are assumed to be a carried interest. McDaniel has taken the view that this 'back in' right should be treated as a TPDC working interest and therefore the gross property reserves have been adjusted for the volumes of natural gas that are allocated to TPDC for their working interest share. The average effective TPDC working interest in proved plus probable reserves over the life of the licence is 1%, or a total of 3,907 MMcf. The outcome of any final agreement on TPDC future back-in rights may lead to a change in the economic terms of the Company's production sharing agreement ("PSA"), but cannot be estimated at this time.
2. The separation of the downstream assets was raised by the Ministry Energy and Mines ("MEM") in the National Natural Gas Policy issued in 2013, which contemplates TPDC as monopoly aggregator and distributor of gas. In the context of the gas policy, TPDC and MEM have indicated that they wish the Company to unbundle the downstream distribution business in Tanzania. The potential unbundling of the downstream business will be addressed at such time as there is a conflict between new legislation and the Company's right under the PSA. The provisions of the PSA are such that the Company is to be kept economically whole if any legislation affects the Company's economic benefits under the PSA.
3. During the third quarter of 2015, The Petroleum Act, 2015, (the "Act") was passed into law by Presidential decree. The Act repeals earlier legislation, provides a regulatory framework over upstream, mid-stream and downstream gas activity, and as well consolidates and puts in place a single, effective and comprehensive legal framework for regulating the oil and gas industry in the country. The Act also provides for the creation of an upstream regulator, the Petroleum Upstream Regulatory (PURA). The mid and downstream petroleum as well as gas activities are proposed to be regulated by the current authority, the Energy and Water Utilities Regulatory Authority (EWURA). The bill also confers upon on TPDC, the status of the National Oil Company, mandated with the task of managing the country's commercial interest in the petroleum operations as well as mid and downstream natural gas activities. The bill vests TPDC with exclusive rights in the entire petroleum upstream value chain and the natural gas mid and downstream value chain. However, the exclusive rights of TPDC does not extend to mid and downstream petroleum supply operations. The Company is uncertain regarding the potential impact on its business in Tanzania. The Act does provide grandfathering provisions upholding the rights of the Company under the PSA as it was signed prior to the passing of the Act. However, it is still unclear how the provisions of the Act will be interpreted and implemented regarding upstream and downstream activities.

McDaniel employed the following gas sales, pricing and inflation rate assumptions as of 31 December 2015 in estimating the Company's reserves data using forecast prices and costs. The Company received an average conventional natural gas price of US$4.49/Mcf in 2015.

Year	Brent crude US$/bbl	Songo Songo gas prices Proved US$/Mcf	Songo Songo gas prices Proved plus probable US$/Mcf	Annual inflation %
2016	47.50	3.99	4.03	2
2017	56.20	4.10	4.27	2
2018	65.00	4.06	4.27	2
2019	71.70	4.08	4.28	2
2020	75.80	4.18	4.44	2
2021	80.10	4.30	4.63	2
2022	84.40	4.43	4.82	2
2023	89.10	4.56	4.98	2
2024	90.80	4.60	4.98	2
2025	92.60	4.67	4.95	2
2026	94.40	4.96	4.96	2

The price of gas for the Industrial sector is based on a formula related to heavy fuel oil prices and includes caps and floors. This has been reflected in the above pricing.

Operating and Financial Highlights

(Expressed in US$ unless indicated otherwise)	Year ended/ as at 31 December **2015**	2014
OPERATING		
Daily average gas delivered and sold (MMcfd)		
Protected Gas	**38.8**	36.6
Additional Gas	**47.4**	53.2
Industrial	**11.4**	12.6
Power	**36.0**	40.6
Total gas production	**86.2**	89.8
Average price (US$/mcf)		
Industrial	**7.58**	8.61
Power	**3.54**	3.56
Total	**4.49**	4.76
Operating netback (US$/mcf)	**2.57**	2.22
Additional Gas Gross Recoverable Reserves to end of licence (BCF)		
Proved	**368**	450
Probable	**49**	54
Proved plus probable	**417**	504
Net Present Value, discounted at 10% (US$ millions)		
Proved	**309**	379
Proved plus probable	**357**	417
FINANCIAL		
Revenue	**54,088**	56,607
Funds flow from operating activities [(1)]	**26,571**	32,436
per share - basic and diluted (US$)	**0.76**	0.93
Net cash flows from operating activities	**7,018**	29,757
per share - basic and diluted (US$)	**0.20**	0.85
Net income/(loss)	**1,533**	(38,301)
per share - basic and diluted (US$)	**0.04**	(1.10)
Working capital	**32,521**	34,148
Cash	**53,797**	57,659
Capital expenditures	**38,411**	1,312
Long-term loan	**18,599**	-
Outstanding Shares ('000)		
Class A	**1,751**	1,751
Class B	**33,106**	33,164
Total shares outstanding	**34,857**	34,915
Options	**-**	400
Weighted average diluted Class A and Class B shares	**34,887**	34,863

The complete Audited Consolidated Financial Statements and Notes, Management Discussion & Analysis, and the Company's report relating to its reserves data and other oil and gas information required pursuant to NI 51-101 may be found on the Company's website www.orcaexploration.com or on the Company's profile on SEDAR at www.sedar.com.

Orca Exploration Group Inc.

Orca Exploration Group Inc. is an international public company engaged in natural gas exploration, development and supply in Tanzania through the wholly-owned subsidiary PanAfrican Energy Tanzania Limited, as well as oil and gas appraisal in Italy. Orca trades on the TSX Venture Exchange under the trading symbols ORC.B and ORC.A.

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FORWARD-LOOKING INFORMATION: This new release contains forward-looking statements or information (collectively, "forward-looking statements") within the meaning of applicable securities legislation. More particularly, this news release contains, without limitation, forward-looking statements pertaining to the following: anticipated power sector revenues; expectations regarding PGSA gas prices; potential impact of TPDC future back-in rights on the economic terms of the PSA; the unbundling of the Company's downstream business; the impact of the Act on the Company's business in Tanzania; and expectations regarding the how the provisions of the Act will be interpreted and implemented regarding upstream and downstream activities. In addition, statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserve estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Although management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies.

These forward-looking statements 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 statements made by the Company, including, but not limited to: failure to receive payments from TANESCO; risk of delay in timing for the Tanzania National Natural Gas Infrastructure Project ("NNGIP") to be fully commissioned; risk that TPDC, the MEM and the Company are unable to agree on commercial terms for future incremental gas sales and consequently the Company cannot expand the Songo Songo development beyond the existing Songas infrastructure and supply gas to the NNGIP; risk that additional gas volumes available to the NNGIP from third parties will replace all or a portion of the volumes currently nominated by TANESCO under the PGSA until additional gas-fired power generation is brought on-stream to consume all of the Company's available gas production; risk that the development programme is not completed as planned and the actual cost to complete the development programme exceeds the Company's estimates; risk that Orca is unable to access the additional funding required to proceed with the entire development programme; inability to achieve full production capability due to infrastructure constraints; risk that the remaining well workovers under the development programme are unsuccessful or determined to be infeasible; risk that the contingencies related to the development work for the full field development plan for Songo Songo are not satisfied; potential negative effect on the Company's rights under the PSA and other agreements relating to its business in Tanzania as a result of the recently approved Act, as well as the risk that such legislation will create additional costs and time connected with the Company's business in Tanzania; risk that, without extending or replacing the Re-Rating Agreement, the gas processing plant may be de-rated back to its original capacity, resulting in a material reduction in the Company's sales volumes of Additional Gas; risk that the Company will not fully recover Songas' share of capital expenditures associated with the workovers of wells SS-5 and SS-9; risk that the Company will be required to pay additional taxes and penalties; the impact of general economic conditions in the areas in which the Company 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; effect of changes to the PSA on the Company; 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; inability to satisfy debt obligations and conditions; failure to successfully negotiate agreements; and risk that the Company will not be able to fulfil its contractual obligations. In addition there are risks and uncertainties associated with oil and gas operations, therefore the Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by these forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive.

Such forward-looking statements are based on certain assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances, including, but not limited to, that the NNGIP is completed; the TPDC, the MEM and the Company are able to agree on commercial terms for future incremental gas sales and the Company can expand Songo Songo development beyond the existing Songas infrastructure and supply gas to the NNGIP; the development programme will be completed within the timing anticipated; the actual costs to complete the development programme are in line with estimates; that there will continue to be no restrictions on the movement of cash from Mauritius or Tanzania; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company will have adequate funding to continue operations; that the Company will successfully negotiate agreements; receipt of required regulatory approvals; the ability of the Company to increase production at a consistent rate; infrastructure capacity; commodity prices will not further deteriorate significantly; the ability of the Company to obtain equipment and services in a timely manner to carry out exploration, development and exploitation activities; future capital expenditures; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; that the Company's appeal of various tax assessments will be successful; that the enactment of the Act in Tanzania will not impair the Company's rights under the PSA to develop and market natural gas in Tanzania; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; and other matters.

The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

OIL AND GAS ADVISORY: The Company's conventional natural gas reserves as at 31 December 2014 disclosed herein were evaluated by McDaniel in accordance with the definitions, standards and procedures contained in the COGE Handbook and NI 51-101. The independent reserves evaluation prepared by McDaniel was dated 28 April 2015 with an effective date of 31 December 2014.

This press release contains estimates of the net present value of Orca's future net revenue from the Company's reserves. The net present value of future net revenue attributable to the Company's reserves is stated without provision for interest costs and out of country general and corporate administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by McDaniel. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Company's reserves estimated by McDaniel represent the fair market value of those reserves. Such amounts do not represent the fair market value of the Company's reserves. The recovery and reserve estimates of the Company's conventional natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

In this press release "Company Gross Reserves" are the total of the Company's working and/or royalty interest share after TPDC back-in and before deduction of royalties owned by others. It represents the Company's percentage working interest in the property gross reserves, and "Company Net Reserves" are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties and Profit Gas owned by others, and represent the Company's share of total Cost Gas and Profit Gas.

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 Bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.