

Orca Energy Group Inc. Announces an Operational Update

01.11.2024 | [GlobeNewswire](#)

TORTOLA, Nov. 01, 2024 - November 1, 2024: [Orca Energy Group Inc.](#) ("Orca" or the "Company") and includes its subsidiaries and affiliates, including PanAfrican Energy Tanzania Limited ("PAET") and Pan African Energy Corporation (Mauritius) ("PAEM") (TSX-V: ORC.A, ORC.B) announces an operational update.

Unless otherwise stated, all amounts referred to herein are expressed in United States dollars ("\$").

Songas Update

On October 30, 2024, PAET was advised by Songas Limited ("Songas") that the Interim Power Purchase Agreement ("PPA") will expire on October 31, 2024. At midnight on October 31, 2024, Songas shutdown the Songas Power Plan and it is unknown how long this will be in force. In the event that a new PPA is not entered into, there is a risk the Songas Power plant will shutdown indefinitely. This would adversely impact demand for production volumes from the Songo Songo gas field. At this time, it is unknown if a new PPA will be entered into.

Production guidance for the annual average Additional Gas (as defined below) sales is now forecast to be 65 - 68 MMcfd (100% conventional natural gas). This range incorporates the exclusion of all volumes previously forecast to be supplied to Songas for November and December, and certain volumes lifted but disputed by a major industrial customer as a consequence of the position taken by the Tanzania Petroleum Development Corporation ("TPDC") and Government of Tanzania in relation to the cessation of Protected Gas (as detailed and defined below). The Songo Songo gas field continues to operate as normal.

Following cessation of Protected Gas on July 31, 2024, despite the absence of a contract to do so, Songas continued to lift volumes of gas in August and September, at an average rate of 17.8 MMcfd. On September 23, 2024, the Company was notified by Songas that it acknowledges it had lifted this volume, but due to TPDC's refusal to approve a Gas Sales Agreement for this Additional Gas, they would elect to pay only 19.5% of such volumes. This accords with the payment arrangements for Complex Additional Gas under the contracted payment terms for Protected Gas which ended on July 31, 2024. Payment was made on this basis by Songas on October 10, 2024, in the amount equivalent to USD \$410,000, representing 19.5% of the total invoiced amount of USD \$2.1 million.

Only Additional Gas attracted a Processing and Transportation ("P&T") tariff up to July 31, 2024, (when Protected Gas was active), while Protected Gas did not. In contradiction of their position regarding payment above, Songas has invoiced PAET for the P&T tariff consistent with all gas volumes shipped to Songas during August as being AG. This amount has been fully accounted for and paid by PAET in accordance with the terms of the current agreements.

Operations

During Q3-2024, the Company successfully completed a production and saturation logging program in three wells. Initial results indicate that the wells and field are performing in line with expectations, with final interpretation of results continuing in order to update longer term reservoir management plans.

The workover program on SS-7 has completed a complex mobilization to Songo Songo Island, and the operational well intervention phase has commenced. Operations, including further logging, are expected to last for approximately three weeks. The objective of the work is to restore the mechanical integrity of the well

to shutoff water production in order to restart production from the southern compartment of the gas field. On conclusion of the intervention, SS-7 is forecast to return to production in November 2024. The total expected project cost has increased to \$22.0 million from \$16.6 million primarily as a result of vendor logistical delays and more recently weather delays during both the mobilization from the Mombasa to Songo Songo Island and positioning the barges and jackup platform on the offshore SS-7 well.

Commercial

In August 2024, the Company issued a notice of dispute ("Notice of Dispute"), in respect of an investment treaty claim against the Government of Tanzania for breach of the Agreement on Promotion and Reciprocal Protection of Investment between the Government of the Republic of Mauritius and the Government of Tanzania, and a contractual dispute against the Government of Tanzania and TPDC, for breaches of the: (i) PSA, and (ii) GA (as defined herein). 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. The matters have now been referred to relevant entity's chief executive officers in accordance with the dispute resolution process. These meetings have been proposed for November or December. Further updates on this matter will be made as appropriate.

PAET has continued to supply gas to Tanzania Portland Cement PLC ("TPCPLC") during August 2024 and September 2024. As a consequence of the position taken by TPDC, PAET was unable to invoice TPCPLC for volumes anticipated to have been supplied under the Supplementary Gas Agreement ("SGA"). The SGA had been agreed to by TPCPLC and was due to commence on August 1, 2024, but TPDC refused to approve the agreement. Therefore, PAET has invoiced all volumes lifted as Additional Gas under the Gas Sales Agreement which was established in 2008. It is not known if TPCPLC will pay all or any element of these invoices. As of the date of hereof, the August invoice for \$2.64 million was outstanding, with the September invoice of \$2.75 million being due on November 5, 2024. The Company will provide further updates in due course on this matter.

Financial

- The Company exited September 30, 2024, with cash and cash equivalents of \$101.7 million (June 30, 2024: \$97.2 million) and no change to long-term debt of \$25.1 million (June 30, 2024: \$25.1 million). Cash held in hard currencies (USD, Euro, GBP, CDN) was \$93.2 million at September 30, 2024 (June 30, 2024: \$86.1 million).
- Following the extension to the Portfolio Gas Supply Agreement ("PGSA") with the Tanzania Electricity Supply Company Limited ("TANESCO") between PAET, TPDC and TANESCO, TANESCO has taken delivery of approximately 26.7 MMcf in September 2024. As of September 30, 2024, the receivable from TANESCO was \$8.1 million, and the TANESCO long-term receivable was \$22.0 million.

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 TSX Venture Exchange 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 Government of Tanzania in the United Republic of Tanzania. This PSA covers the production and marketing of certain conventional natural gas from the Songo Songo license offshore Tanzania. The PSA defines the gas produced from the Field as "Protected Gas" and "Additional Gas". The Protected Gas is owned by TPDC and prior to July 31, 2024 was sold under the Gas Agreement ("GA") between the Government of Tanzania, TPDC, Songas and PEAT, to Songas and TPCPLC. Protected Gas production ceased on July 31, 2024, and accordingly all gas is to be sold as Additional Gas. PAET continues to act in the best interests of its Tanzanian stakeholders and make natural gas available to Songas for power, so that the country can continue to benefit from a reliable power supply. The Company has consistently demonstrated its commitment to supporting the Tanzanian economy, following 20 years of continued investment in the country. However, as detailed in recent announcements, and as set out in the GA, the supply of Protected Gas ceased on July 31, 2024, with all gas now being produced from the Songo Songo gas field, being designated as Additional Gas. PAET's position is that it is entitled to compensation at commercial rates for any such gas supplied as Additional Gas and for which it has not received payment as a result of the position taken by TPDC. This is subject to ongoing dispute with TPDC, with TPDC asserting that Protected Gas continued after July 31, 2024.

Songas is the owner of the infrastructure that enables the gas to be processed and delivered to Dar es Salaam, which includes a gas processing plant on Songo Songo Island.

For further information please contact:

Jay Lyons
ir@orcaenergygroup.com

Lisa Mitchell
ir@orcaenergygroup.com

For media enquiries:

Celicourt (PR)
Jimmy Lea
Mark Antelme
Orca@celicourt.uk
+44 (0)20 7770 6424

Forward-Looking Information

This press release contains forward-looking statements or information (collectively, "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact included in this press release, which address activities, events or developments that Orca expects or anticipates to occur in the future, are forward-looking statements.

Forward-looking statements 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 statements regarding an outlook.

More particularly, this press release contains, without limitation, forward-looking statements pertaining to the following: the Company's expectation that PAET will receive payment in respect of Protected Gas supplied after July 31, 2024; expectations that SS-7 will return to production in November 2024; expectations around entering into a new PPA; expectations in respect of the Songas Power plant; expectations that an indefinite shutdown of the Songas Power plant will adversely impact demand for production volumes from the Songo Songo gas field; expectation that forecasted Additional Gas will decrease; expectations in respect to the results of the production and saturation logging program; expectations that the PPA will be replaced; the concern that if the Protected Gas is not resolved, the Company will be required to reduce costs and ensure capital expenditure projects on the Songo Songo gas field are in line with contracts and economic returns; expectations that the SGA will be entered into and the terms abided by; the expectations regarding future revenues of the Company; expectations as to the resolution of the Notice of Dispute; the Company's plans to provide updates on the Notice of Dispute and TPCPLC invoice; and expectations that Songas will pay the balance of the invoice in respect to Additional Gas. Although management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, future actions, future payments, levels of activity, access to resources, results of negotiation, results from arbitration, amount of damages or costs incurred by the Company relating to negotiations and/or arbitration, 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: uncertainties involving the Notice of Dispute; uncertainties involving the SGA; uncertainties involving the completion of the SS-7 workplan; various uncertainties involved in the extension of the Songo Songo license; risk that timing is not as anticipated with respect to SS-7, including timing of return to production; risk that meetings related to the Notice of Dispute are not held on the anticipated timing; risk the PPA will not be replaced; risk of decreased demand for production volumes from the Songo Songo

gas field; risk that Orca does not receive payment of TPCPLC invoices; risk Orca has to make the P&T tariff payments to Songas; risk the Songas Power plant will shutdown indefinitely; risk that Songas receivables increases; negative effect on the Company's rights under the PSA and other agreements relating to its business in Tanzania; changes in laws and regulations; impact of local content regulations and variances in the interpretation and enforcement of such regulations; uncertainty regarding results through negotiations and/or exercise of legally available remedies; failure to successfully negotiate agreements; risks of non-payment by recipients of natural gas supplied by the Company; changes in national and local government legislation, taxation, controls, or regulations and/or changes in the administration of laws, policies, and practices, expropriation or nationalization of property and political or economic developments in Tanzania; lack of certainty with respect to foreign legal systems, corruption, and other factors that are inconsistent with the rule of law; risk of loss due to acts of war, terrorism, sabotage and civil disturbances; timing of receipt of, or failure to comply with, necessary permits and approvals; and potential damage to the Company's reputation due to the actual or perceived occurrence of any number of events, including negative publicity with respect to the Company's dealings with the Government of Tanzania, TPDC and TANESCO, whether true or not. 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: the Company's relationship with TPDC and the Government of Tanzania; the current status of negotiations in respect of the SGA, GA and PSA; the current status of actions involved in the Notice of Dispute; accurate assessment by the Company of the merits of its rights and obligations in relation to TPDC and the Government of Tanzania and other stakeholders in the Songo Songo gas field; receipt of required regulatory approvals; the Company's ability to maintain strong commercial relationships with the Government of Tanzania and other state and parastatal organizations and other stakeholders in the Songo Songo gas field; the current and future administration in Tanzania continues to honor the terms of the PSA and the Company's other principal agreements; the Company's relationship with TPCPLC; anticipated operations and timing with respect to SS-7; Orca's operations continue as anticipated, including in respect of production results; and other matters.

The forward-looking statements contained in this press release are made as of the date of this news release 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/484041--Orca-Energy-Group-Inc.-Announces-an-Operational-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).