Orca Energy Group Inc. Announces Completion of Q3 2025 Interim Filings

27.11.2025 | GlobeNewswire

TORTOLA, Nov. 27, 2025 - 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 financial statements and management's discussion and analysis for the three and nine month periods ended September 30, 2025 ("Q3 2025") with the Canadian securities regulatory authorities. All amounts are in United States dollars ("$") unless otherwise stated.

Jay Lyons, Chief Executive Officer, commented:

"Orca delivered strong operational results in Q3 2025, with gas deliveries rising 7% over the quarter and 4% year-to-date. The growth was driven by higher industrial consumption and increased demand for our services and products."

"The Company ended the period with cash and cash equivalents of $127.9 million and working capital of $56.2 million, supported by the collection of arrears from TANESCO under the April 2025 Settlement Agreement."

"We continue to actively manage the ongoing legal proceedings in Tanzania, remaining focused on protecting the Company's rights and our shareholders' interests. Looking ahead, Orca will keep its capital expenditures and allocation under review as we look to continue to focus on safety, essential maintenance, and cost efficiency across our operations."

Highlights

- Revenue decreased by 12%, or $3.0 million, for Q3 2025 and by 4%, or $3.3 million, for the nine months ended September 30, 2025 over the comparable prior year periods, primarily as a result of the increases in the Tanzanian Petroleum Development Corporation ("TPDC") share of revenue as an outcome of decreased capital expenditures and lower Cost Gas revenue (as defined in the Management's Discussion & Analysis for the three and nine months ended September 30, 2025) recoveries by the Company.
- Gas deliveries increased by 7%, or 4.7 MMcfd, for Q3 2025 and by 4%, or 2.7 MMcfd, for the nine months ended September 30, 2025 compared to the same prior year periods. The increases were mainly a result of increased consumption by industrial customers due to a higher demand for services and products. Additionally, the end of the Protected Gas (defined below) regime Q3 2024 resulted in higher deliveries of Additional Gas (defined below) to Tanzania Portland Cement PLC ("TPCPLC") from August 2024 onward. This was partially offset by the completion of the Julius Nyere Hydropower Project in 2024 leading to increased availability of hydro power and causing lower lifting from power 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 TPDC, for breaches of the: (i) the Production Sharing Agreement between PAET, TPDC and the GoT (the "PSA"), and (ii) the Gas Agreement between the GoT, TPDC, Songas Limited ("Songas") and PAET (the "Gas Agreement"). 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 been further referred to the relevant entity's chief executive officers and working groups in accordance with the dispute resolution process. Discussions continued with meetings held in January and March 2025 without resolution. The Company's Counsel subsequently submitted a letter to the Ministry of Energy (the "MoE"), requesting an urgent meeting to address the issues. In July 2025, our counsel received a letter from the Permanent Secretary to the MoE, dated June 26, 2025, advising PAET that the MoE was working on the Songo Songo Development License (the "License") extension application and that feedback would be available in due course. The letter also advised against interference in the independence of the MoE, in the interests of good governance and proper processing of the application. The Company's Counsel submitted a response to the MoE advising that the approaches made to the MoE were reasonable and proportionate enquiries into the status of the application, given the lengthy inaction and engagement to date. The letter urged immediate engagement to resolve the matter of the License extension. The MoE has recently proposed the parties meet to discuss the current License and terms of a License extension proposal submitted by TPDC to be made for consideration by the Minister and GoT. The Company has requested the MoE submit an economically viable proposal for review before parties agree to meet. To date, no proposal in response to this request has been received.
- On April 15, 2025, PAET and TPDC signed a settlement agreement with the Tanzanian Electric Supply Company Limited ("TANESCO") (the "Settlement Agreement"), for TANESCO to pay PAET $52.0 million for unpaid amounts owing by TANESCO for deliveries of natural gas from the Songo Songo gas field and late payment interest, which unpaid amounts totaled $104,164,507.41 as of January 9, 2025, comprising of $33.7 million of principal amount owing and approximately $70.5 million of default interest. The Settlement Agreement required TANESCO to pay the Tanzanian Shilling equivalent of $52.0 million, comprised of the $33.7 million principal amount and $18.3 million representing a portion of the default interest owed by TANESCO. It was agreed that the remaining balance of the default interest owing by TANESCO would be waived if TANESCO paid the settlement amount when required and in full while remaining current on amounts owed. As at September 30, 2025, TANESCO has paid the full $52.0 million due under the Settlement Agreement, and the Company has duly waived the remaining balance of the default interest owing by TANESCO. Payments on account of the settlement amount have been allocated between PAET and TPDC in accordance with the PSA. Pursuant to the PSA, the Company has retained approximately $35.5 million of the settlement amount with TPDC receiving the balance.
- Net income attributable to shareholders increased by 834%, or $17.4 million, for Q3 2025 and by 889%, or $37.7 million, for the nine months ended September 30, 2025 compared to the same prior year periods, primarily as a result of the reversal of loss allowance and the recognition of interest income following the collection of TANESCO long-term arrears and default interest pursuant to the Settlement Agreement.
- Net cash flows from operating activities increased by 215%, or $22.0 million, for Q3 2025 and by 306%, or $63.7 million, for the nine months ended September 30, 2025 compared to the same prior year periods primarily as a result of higher payments from TANESCO in Q2 2025 and Q3 2025 pursuant to the Settlement Agreement.
- Capital expenditures decreased by 98%, or $9.2 million, for Q3 2025 and by 94%, or $12.0 million, for the nine months ended September 30, 2025 compared to the same prior year periods. The capital expenditures in Q1, Q2 and Q3 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. Following the successful replacement of the SS-9 flowline, the flowline replacement program for the SS-5 well was further deferred to Q4 2025. Inclement weather through the wet season and SE (Kusini) winds caused delay to the completion of the project and with it the employment of some capital. Given the lump-sum costs for the project, total capital expenditure is not expected to increase when the project resumes in Q4 2025. The capital expenditures in Q1, Q2 and Q3 2024 primarily related to the costs of the SS-7 well workover program.
- The Company exited Q3 2025 with $56.2 million in working capital (December 31, 2024: $21.9 million) and cash and cash equivalents of $127.9 million (December 31, 2024: $90.1 million). Cash held in hard currencies (USD, Euro, GBP, CDN) was $117.3 million, as at September 30, 2025 (December 31, 2024: $87.1 million). Of the total cash balance of $127.9 million, $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. PAET is currently appealing the judgement.

- The TANESCO long-term receivable as at December 31, 2024 was $22.0 million and had been fully provided for. As at September 30, 2025, the Company has received all amounts due under the Settlement Agreement. Accordingly, the provision has been reversed in full and the long-term receivable balance as at September 30, 2025 is $ nil. Subsequent to September 30, 2025, the Company has invoiced TANESCO $4.8 million for October 2025 gas deliveries and TANESCO has paid the Company $4.5 million.
- On April 25, 2025, Swala Oil & Gas (Tanzania) Plc, in liquidation ("Swala") submitted a claim to the Tanzania High Court (the "Court") against Orca, PAEM and PAET for alleged breach of oral contract, unlawful conspiracy, unjust enrichment and breach of fiduciary duty. Swala claims damages of approximately $237,930,013 in addition to pre- and post-judgment interest. This breaks down to: (i) $167,930,013 for damages arising from breach of contract or conspiracy; (ii) $50.0 million for general damages, and (iii) $20.0 million for punitive and exemplary damages. The Company believes there is no merit to the claim (the "Swala Dispute"). In August 2025, ORCA, PAEM, and PAET filed a security for costs application against Swala. The Court is scheduled to rule on this application on November 21, 2025. If successful, and if Swala fails to pay any ordered security within the requisite period of time, the Swala Dispute will be dismissed. In September 2025, Swala filed an application (the "Prejudgment Application") seeking certain prejudgment orders: (a) an Order that Orca, PAEM, and PAET pay the entire specified damages amount of $167,930,013 (which has not been proven) as security, or (b) in the alternative, an order for the attachment of all PAET bank accounts in Tanzania, or (c) in the further alternative an order requiring: (i) Orca not to pay any money to any owner of Class A Common Shares, Class B Subordinate Shares, First Preference Shares, an interest in Orca's Long-term Retention Plan, or an owner in any new securities created or issued by Orca, (ii) requiring PAEM not to transfer any money in any manner or purpose, to any bank outside of the Republic of Mauritius other than to comply with third-party obligations in the normal course of business, and (iii) requiring PAET not to transfer any money to any bank outside of Tanzania other than to comply with third-party obligations in the normal course of business. The relief sought in the Prejudgment Application is extraordinary and the law requires Swala to strictly satisfy the requisite legal conditions of cogent evidence. The Company does not believe Swala has done so. The next court appearance for the Prejudgment Application is scheduled for December 8, 2025, where this matter will come up "for mentions", following which a hearing on the merits of the Prejudgment Application will need to be scheduled.
- On 24 October 2025, the Company filed an anti-suit injunction (the "ASI") against Swala on behalf of Orca, PAEM, and PAET in the High Court of England and Wales Commercial Court, seeking to enjoin Swala from taking steps to pursue the Swala Dispute in Tanzania. If successful, and if Swala fails to comply with the order, its failure may result in a finding of contempt of court and exposure for both Swala and the liquidator to commercial and criminal sanctions.
- On August 1, 2025, PAEM submitted a Request for Arbitration (an "RFA") to the International Centre for Settlement of Investment Disputes ("ICSID"), an arm of the World Bank, against the GoT for various breaches of the investment protections provisions of the BIT; and PAET submitted two separate RFA's to ICSID against the GoT and TPDC for breaches of the PSA and the Gas Agreement. The three claims (the "Claims") arise out of a series of actions and omissions by Tanzania and TPDC that threaten the viability of the Songo Songo Gas-to-Electricity Project (the "Project") and breach multiple obligations under the BIT, the PSA and the Gas Agreement. On August 28, 2025, ICSID registered all three RFAs. PAEM has appointed its arbitrator for the BIT proceedings, and we expect the tribunal in this case to be constituted by the end of 2025. PAET, the GoT, and TPDC have agreed to consolidate the two proceedings brought under the PSA and the Gas Agreement, and once this consolidation is complete the parties will proceed with the tribunal appointment process.
- Considering the anticipated reduction in capital expenditure going forward, with safety and maintenance being the main focus for the remainder of the License, the Company intends to review its capital allocation policy in the near term and will update the market as appropriate.

Financial and Operating Highlights for the Three and Nine Months Ended September 30, 2025

	Three months ended September 30		% Change		Nine months ended September 30	% C
(Expressed in $'000 unless indicated otherwise)	2025	2024	Q3/25 vs Q3/24		2025	2024 Ytd/ Ytd/
OPERATING						
Daily average gas delivered and sold *(MMcfd)*	71.1	66.4	7	%	70.5	[illegible]
Industrial	20.9	17.7	18	%	19.5	[illegible]
Power	50.2	48.7	3	%	51.0	[illegible]

Average price *($/mcf)*						
Industrial	7.79	8.71	(11	)%	7.86	[illegible]
Power	3.95	3.89	2	%	3.96	[illegible]
Weighted average	5.08	5.18	(2	)%	5.04	[illegible]
Operating netback *($/mcf)*	2.00	2.98	(33	)%	2.51	[illegible]
FINANCIAL						
Revenue	21,746	24,787	(12	)%	71,411	[illegible]
Net income attributable to shareholders	19,475	2,086	834	%	41,978	[illegible]
per share - basic and diluted *($)*	0.99	0.11	834	%	2.12	[illegible]
Net cash flows from operating activities	32,294	10,255	215	%	84,506	[illegible]
per share - basic and diluted *($)*	1.63	0.52	215	%	4.28	[illegible]
Capital expenditures	182	9,354	(98	)%	774	[illegible]
Weighted average Class A and Class B Shares *('000)*	19,765	19,770	0	%	19,765	[illegible]

	September 30, 2025	As at December 31, 2024 / % Change
Working capital (including cash)	56,161	[illegible]
Cash and cash equivalents	127,868	[illegible]
Outstanding shares *('000)*		
Class A	1,750	[illegible]
Class B	18,015	[illegible]
Total shares outstanding	19,765	[illegible]

See Non-GAAP Financial Measures and Ratios.

Outlook

The recent and widely reported civil unrest seen in Tanzania during October's national elections did not impact our operations, and our 2025 volume guidance is unchanged. Although demand for gas declined slightly during the unfortunate events, GoT institutions, customers and other stakeholders quickly resumed business operations and demand has returned to normal levels. Guidance levels for production for 2026 are between 60 - 65 MMcfd. This decrease from 2025 is due to the field decline and seasonal variations due to hydro.

There remains no tangible progress on the Songo Songo Licence extension application, as we continue to await meaningful engagement with the GoT, who have been asked, but are yet to, propose economically viable, commercially reasonable terms. Consequently, it is necessary to continue to pursue the arbitration process.

Given the increasing uncertainty relating to the License extension, the assessment of the long-term sustainability of the Company's business in Tanzania has been very significantly and negatively impacted. The combined effect of the GoT's actions and inactions, together with the proliferation of unfounded commercial disputes, has materially reduced confidence in the stability of the operating framework for the Songo Songo project and its long-term prospects. While domestic demand for natural gas remains strong, the Company's ability to invest in development initiatives to sustain current demand and meet incremental demand is contingent on securing an extension of the Licence on commercially acceptable terms, within a predictable legal and regulatory environment, and achieving satisfactory resolution of the governmental and commercial disputes currently affecting the Company's operations in Tanzania.

Given these complex and challenging circumstances, the Board of Directors of Orca is undertaking a comprehensive strategic review to assess viable options to mitigate the risks described above and elsewhere in this news release and the Management, Discussion & Analysis for the nine-month period ended September 30, 2025 with the objective of protecting the Company's best interests and preserving or maximizing shareholder value.

The forward-looking information in this Outlook section (i) assumes that the current delays in resolving the regulatory and contractual disputes affecting the Company's operations in Tanzania continue and (ii) is subject to the risks and uncertainties disclosed in the Company's Management, Discussion & Analysis for the 12-month period ended December 31, 2024 and the three and six-month periods ended March 31 and June 30, 2025 . To the extent required under applicable Canadian securities laws, management will revise its outlook if conditions change materially, or if previously disclosed forward-looking information becomes unreliable.

The complete Condensed Consolidated Interim (Unaudited) Financial Statements and Notes and Management's Discussion & Analysis for the three and nine months ended September 30, 2025 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 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 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 TPCPLC. 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.

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 September 30		Nine Months ended September 30	
$'000	2025	2024	2025	2024
Pipelines, well workovers and infrastructure	182	9,286	774	12,364
Other capital expenditures	-	68	-	372
Capital expenditures	182	9,354	774	12,736
Change in non-cash working capital	334	(5,622)	9,518	(5,520)
Net cash used in investing activities	516	3,732	10,292	7,216

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 September 30		Nine Months ended September 30	
$'000	2025	2024	2025	2024
Revenue	21,746	24,787	71,411	74,738
Production, distribution and transportation expenses	(4,479)	(6,566)	(12,857)	(14,725)
Net Production Revenue	17,267	18,221	58,554	60,013
Less current income tax adjustment (recorded in revenue)	(4,145)	(38)	(10,211)	(4,756)
Operating netback	13,122	18,183	48,343	55,257
Sales volumes MMcf	6,547	6,108	19,250	18,581
Netback $/mcf	2.00	2.98	2.51	2.97

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 Statements

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 expectations regarding the demand for natural gas and power supply; costs, outcomes and timing in respect to the outcome of the Notice of Dispute and the Claims; costs, outcomes and timing in respect to the outcome of the Swala Dispute; merit, outcomes, position and timing in respect of the Notice of Dispute and Claims; expectations in relation to the Notice of Dispute and Claims; merit, outcomes, position and timing in respect of the Swala Dispute; expectations in relation to the Swala Dispute; the amount of damages that may be payable by the Company relating to the Swala Dispute; expectations in relation to the ASI; merit, outcomes, position and timing in respect of the ASI; the amount of damages that may be received by the Company in respect to the Claims; extension of the License and the Company's expectation to continue to actively engage with the GoT to progress the License extension; the ability of the Company to continue its operating activities subsequent to October 2026, when the License is set to expire; continued accrual of participating interest in respect of the Loan until the specified date; the receipt of the payment of interest from TANESCO; the payment by TANESCO of amounts owing under the Settlement Agreement; and the amount that PAET is expected to retain in relation to the Settlement Agreement; the Company's plans to provide updates on the Notice of Dispute, Claims, and/or Swala Dispute; that the flowlines project will resume in Q4 2025; and the Company's intention to review its capital allocation policy in the near term and will update the market as appropriate. 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, 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.

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, Claims and RFA's, Swala Dispute, and the ASI; various uncertainties involved in the extension of the License; risk the PSA will not be replaced; risk of decreased demand for production volumes from the Songo Songo gas field; risk the Songas Power Plant will shut down indefinitely; 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; risk that the Company may incur losses and legal expenses as a result of the Notice of Dispute; risk that the Company may incur losses and legal expenses as a result of the RFA's and Claims and/or the Swala Dispute; uncertainties regarding quantum of damages payable to the Company in respect of the Notice of Dispute and/or Claims; uncertainties regarding quantum of damages payable by the Company in respect of the Swala Dispute; risk that the budgeted expenditures, timing of the completion and anticipated benefits from the Company's various development programs and studies in 2025 are different than expected; risk of damage to the Company's infrastructure assets; failure to extend the License on favorable terms or at all; inability to continue the Company's operating activities beyond the expiry of the License; inability to maintain gas sale contract discipline; the accrual of participating interest is different than expected; failure to receive payment of arrears from TANESCO; risk that TANESCO will not pay such amounts owing under the

Settlement Agreement; changes to forecasts regarding future development capital spending and source of capital spending; 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; incurrence of losses from debtors in 2025; prolonged foreign exchange reserves deficiency in Tanzania; inability to convert Tanzanian shillings into US dollars or other hard currencies as and when required; discontinuation of work by the Company with the GoT on an alternative development plan for longer term field development; failure to obtain necessary regulatory approvals; risks regarding the uncertainty around evolution of Tanzanian legislation; risk of unanticipated effects regarding changes to the Company's tax liabilities and the implementation of further legislation and the Company's interpretation of the same; risk of a lack of access to Songas processing and transportation facilities; failure to extend the License on favorable terms or at all; inability to continue the Company's operating activities beyond the expiry of the License; risk that the Company may be unable to complete additional field development to support the Songo Songo production profile through the life of the License; risks associated with the Company's ability to complete sales of Additional Gas; negative effect on the Company's rights under the PSA and other agreements relating to its business in Tanzania as a result of recently enacted legislation, as well as the risk that such legislation will create additional costs and time connected with the Company's business in Tanzania; risk relating to the Company's relationship with the GoT; the impact of general economic conditions in the areas in which the Company operates; civil unrest; risk of pandemic; 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; 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; 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 GoT, TPDC and TANESCO, whether true or not; 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, oil and gas field services and skilled personnel; failure to obtain required equipment or replacement parts for field development; 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; inaccuracy in reserve estimates; incorrect forecasts in production and growth potential of the Company's assets; inability to obtain required approvals of regulatory authorities; risks associated with negotiating with foreign governments; failure to successfully negotiate agreements; 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; and such additional risks listed under "Business Risks" in our management discussion and analysis for the three and nine month periods ended September 30, 2025, and our management discussion and analysis for the year ended December 31, 2024. As a result of the foregoing, 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: increased demand for gas supply; successful negotiation and execution of new gas sales contracts under the Gas Agreement; successful negotiation of the License extension on terms favorable to the Company; successful implementation of various development and study programs at the budgeted expenditures; accurate assessment by the Company of the merits of its claim under the Notice of Dispute, Claims, the Swala Dispute, and the ASI; that all capital allocation decisions will be based upon prudent economic evaluations and returns; successful maintenance of gas sale contract discipline on a go-forward basis pursuant to the Company's gas supply agreements; that the Company will receive payment of arrears from TANESCO; the Company's relationship with TPDC and the GoT; the current status of actions involved in the Notice of Dispute, Claims and the Swala Dispute; accurate assessment by the Company of the merits of its rights and obligations in relation to TPDC and the GoT 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 GoT 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; that there will continue to be no restrictions on the movement of cash from Mauritius, Jersey 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 participation interest obligations as needed; the Company does not incur any losses from debtors in 2025; absence of circumstances or events that significant impact the Company's cash flow and liquidity; the Company will continue to be able to convert Tanzanian shillings into US dollars; long term field development will be carried out as planned; continued work by the Company with the GoT on alternative development plan for longer term field development as anticipated; timing and amount of capital expenditures and source of funding are in line with forecasts; the Company's ability to obtain necessary regulatory approvals; the anticipated supply and demand of natural gas are in line with the Company's expectations; accurate assessment by the Company of the merits of the claims brought forward by the Company pursuant to the Claims and the RFA's, and the Swala Dispute; that the amount of damages recoverable by the Company under the Notice of Dispute and Claims will be in line with expectations; the Company's interpretation and prediction of the effects regarding changes to the Company's tax liabilities and the implementation of further legislation is accurate in all material respects; the Company's ability to obtain revenue earnings from its operations; access to customers and suppliers; availability of employees to carry out day-to-day operations, and other resources; 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; availability of skilled labour; 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; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; the effect of any new environmental and climate change related regulations will not negatively impact the Company; and other matters.

The forward-looking statements contained in this press 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.