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FOR IMMEDIATE RELEASE

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Orca Exploration announces its results for the quarter ended 30th June 2007

TORTOLA, British Virgin Islands. Orca Exploration Group Inc ("Orca Exploration" or the "Company") announces its results for the quarter ended 30 June 2007.

Quarter Highlights

- Incurred a loss before tax of US$0.5 million (Q2 2006: profit before tax of US$1.1 million) with funds from operations before working capital changes of US$1.3 million (Q2 2006: US$1.3 million). The decrease in profitability is primarily the result of an increase in costs attributable to the business development activities.

- Signed an option agreement with Tower Resources plc that gives Orca the opportunity to become a 50% interest holder in the 6,040 square kilometers, Exploration Area 5 in Uganda.

- Increased Q2 2007 sales of Additional Gas to Dar es Salaam industrial customers by 14% to 397 mmscf (an average of 4.4 mmscf/d) compared with 347 mmscf in Q2 2006. Average industrial prices remained strong at US$8.61/mcf.

- Increased Q2 2007 sales of Additional Gas to the power sector by 1% to 745 mmscf (an average of 8.2 mmscf/d) compared with 739 mmscf in Q2 2006, at an average price of US$2.17/mcf (Q2 2006: 2.13/mcf).

- Advanced negotiations with the Tanzanian Ministry of Energy and Minerals and TANESCO for the supply of gas to 245 MWs of gas fired generation for a period of 16 years.

- Demonstrated the first vehicle to operate on compressed natural gas in Tanzania at the International Trade Fair in July 2007. The Company is looking to expand the CNG operations in the course of the next 18 months.

- Continued the installation of an additional 8 kilometers of low distribution pipeline to improve security of supply and to hook up to four new industrial customers. This line is due to be completed during Q3 2007.

- Delayed the completion of the drilling of SS-10 because of the unexpected mechanical failure of the drill rig. A major rig overhaul is in progress and drilling is scheduled to recommence in September 2007. The well is currently drilled to 1,689 meters and secured at a depth of 1,074 meters. Subsurface geology is as expected.

- Announced a private placement to raise gross proceeds of Cdn$34.5 million through the issuance of 2.5 million Class B shares at a price of Cdn$13.80 per share. Proceeds were received in early July 2007.

Financial and Operating Highlights

	Three months ended			Six months ended		
	30-Jun 2007	30-Jun 2006	**Change**	**30-Jun 2007**	30-Jun 2006	**Change**
Financial (US$'000 except where otherwise stated)						
Operating revenue	**3,021**	3,198	(6%)	**6,852**	5,271	30%
(Loss)/profit before taxation	**(524)**	1,080	(149%)	**(94)**	1,346	(107%)
Operating netback *(US$/mcf)*	**2.79**	2.71	3%	**2.35**	2.41	(2%)
Cash and cash equivalents	**7,601**	2,829	169%	**7,601**	2,829	169%
Working capital	**(3,050)**	2,448	(225%)	**(3,050)**	2,448	(225%)
Shareholders' equity	**38,292**	17,715	116%	**38,292**	17,715	116%
(Loss)/profit per share - basic and diluted *(US$)*	**(0.02)**	0.03	(167%)	**(0.02)**	0.03	(167%)
Funds from operations before working capital changes	**1,251**	1,333	(6%)	**2,442**	2,004	22%
Funds per share from operations before working capital changes - basic *(US$)*	**0.05**	0.06	(17%)	**0.09**	0.09	-
Funds per share from operations before working capital changes - diluted *(US$)*	**0.04**	0.05	(20%)	**0.09**	0.08	12%
Outstanding Shares ('000)						
Class A shares	**1,751**	1,751	-	**1,751**	1,751	-
Class B shares	**25,383**	21,648	17%	**25,383**	21,648	17%
Options	**2,622**	1,852	42%	**2,622**	1,852	42%
Operating						
Additional Gas sold *(mmscf)* - industrial	**397**	347	14%	**698**	577	21%
Additional Gas sold *(mmscf)* - power	**745**	739	1%	**2,101**	1,421	48%
Average price per mcf *(US$)* - industrial	**8.61**	8.69	(1%)	**8.22**	8.27	(1%)
Average price per mcf *(US$)* - power	**2.17**	2.13	2%	**2.18**	1.97	11%

President & CEO's Letter to Shareholders

In Q2 2007, Orca Exploration Group ("Orca" or the "Company") negotiated an option to enter into Africa's newest high potential oil play within the Albertine Graben sedimentary basin in Uganda. Orca has joined forces with Tower Resources plc ("Tower") to explore Exploration Area 5 ("EA 5") in the northwest area of the country. In the last two years Uganda has recorded significant oil finds in the adjacent Lake Albert Rift Basin. The first step in Orca's and Tower's exploration of EA 5 will be a 250-300 kilometer seismic programme expected to commence in November 2007.

To fund the Company's acquisition of new oil and gas exploration and development opportunities in sub Saharan Africa and to expand the Tanzanian operations, Orca successfully raised Cdn$34.5 million through a fully subscribed private placement. The financing was announced in June 2007 and the funds were received in early July.

Orca's new Ugandan opportunity meets the standards that the Company had set for an expansion of its oil and gas exploration and development interests. These include significant exploration upside in a proven but relatively immature basin, a low entry cost, manageable risk and the potential to develop an oil accumulation within a two-year timeframe. Orca continues to assess other exploration and development opportunities.

Uganda Exploration

There is currently significant oil and gas exploration activity in Uganda following the drilling of five discoveries in the last 18 months by Tullow plc and Heritage Oil and Gas. Two of these had flow rates of between 12,000 and 14,000 barrels per day. During the next six months, there is expected to be in excess of 1,000 kilometers of seismic shot by the various operators and eight wells are planned by the end of 2008. This is an excellent time to be in this new and fast developing oil province.

Under the terms of the agreement signed with Tower Resources plc, Orca Exploration has an option to acquire a 50% working interest in the 6,040 square kilometer EA 5 that lies 200 kilometers north of the two large discovery wells. In consideration for being granted this option, the Company will pay 83.33% of the back-in costs incurred by Tower and the cost of the 2007 seismic programme. The total cost to Orca is estimated at between US$5 – US$6 million.

If, following the seismic programme, Orca exercises its option to become a 50% partner with Tower, it can earn a 50% interest in EA 5 in consideration for paying 83.33% of the costs of two wells subject to a cap of between US$10 million and US$15 million depending on whether both wells are tested.

Tanzania Development

The Songo Songo field remains Orca's core producing asset providing significant low-risk exploration upside with its two prospects, Songo Songo North and Songo Songo West. Songo Songo is expected to generate strong cash flows over the life of the project and management is focused on maximising the potential of this asset through the full development of both the reserves and new markets.

At year end 2006, gross proven and probable reserves ("2P") for the Songo Songo field on a life-of-licence basis increased by 14% to 648 bcf (2005: 569 bcf). The proportion in which the Company has a financial interest, under the Songo Songo PSA ("Additional Gas"), increased by 30% to 415 bcf (2005: 320 bcf). Orca is targeting continued increase in these reserves through diligent monitoring of the reservoir, selective appraisal and exploration drilling.

Increasing the Songo Songo field deliverability to meet the growing power sector demand for gas is the principal reason for the drilling of the SS-10 development well. Management intends to maintain sufficient back up production in the event that there is a failure or reduced production of any of the current wells and SS-10 provides this comfort. The completion of the drilling of SS-10 has been delayed because of the unexpected mechanical failure of the Caroil rig. The well is currently drilled to a depth of 1,689 meters, but the breakdown of the rig's generators and the underperformance of the mud pumps, led Orca to suspend drilling to allow repairs to be made. The well is currently secured at a depth of 1,074 meters.

Since drilling was suspended the rig operator has made significant modifications to the rig and a detailed audit will be conducted before it continues with the drilling of SS-10. The drilling has shown the subsurface geology to be as expected. It is forecast that the rig will re-enter the SS-10 well in September 2007 once all the remedial work has been conducted to the satisfaction of the Company and the other service contractors have been remobilised. The delays do not impact the long-term prospects for the Songo Songo field and have not interfered with the Company's gas sales.

Following the successful remedial work on SS-9 in Q1 2007, the existing five production wells on Songo Songo are capable of delivering 160 mmscf/d against current production and infrastructure capacity of 70 mmscf/d (including Protected Gas).

To further increase Songo Songo reserves, the Company is also planning to drill an appraisal well in the northern portion of the field ("Songo Songo North") and an exploration well approximately 2 kilometers west of the existing field ("Songo Songo West"). Planning for these wells will be undertaken in the second half of 2007, but drilling is not expected to commence until 2009 if the Company proceeds with the drilling of two wells in Uganda in 2008.

Market Development

The rapid introduction of gas-fired power generation in Tanzania has exceeded Orca's expectations. In Q2 2007, TANESCO increased its installed emergency gas-fired generation to 128 MWs by adding 60 MWs of emergency generation. When combined with the 42 MWs of generation at the Ubungo Power Plant, 170 MWs of gas-fired generation in Tanzania had been commissioned to operate on Additional Gas by 30 June 2007. It is forecast that this will increase to 310 MWs by year end 2007, with the further additions of the Dowan's 40 MW emergency plant which was commissioned in August 2007 and the Wartsila 100 MW plant in October 2007. TANESCO intends to construct an additional 45 MWs of generation at Tegeta in mid 2008 and to commence the conversion of the IPTL 100 MW plant to operate on gas at the end of 2008.

There has been good progress on the negotiations with TANESCO/MEM in securing long term contracts for this expanded generation capacity. By the end of 2007, it is forecast that the Company will have signed a 16-year gas supply contract for 245 MWs of permanent generation (Wartsila 100 MWs, IPTL 100 MWs ,Tegeta 45 MWs) and a separate long term contract for the 42 MW sixth turbine at Ubungo ("UGT 6"). In addition, new short term contracts will be in place for the 168 MWs of emergency generation that are expected to be decommissioned by mid 2009.

The 245 MWs of permanent generation is forecast to have a maximum demand of 45 mmscf/d. Current discussions indicate that TANESCO will agree to a 70% take or pay provision in respect of these volumes. This will lead to a minimum of 184 bcf being purchased under this contract.

At Ubungo, UGT 6 has a demand of approximately 9 mmscf/d. It is expected to operate at an 80% utilisation rate given that the units are first to be dispatched after the hydro generation. This will lead to 45 bcf being purchased under this contract.

Current Gas Sales

Power and industrial markets continue to develop in line with expectations, subject to some seasonal variation in volumes. The power sector volumes are expected to be lower in the quarters where there is significant rainfall. This was experienced in Q2 2007. Our largest industrial customers are primarily in the textile sector and consume higher volumes of gas between July and September when there is a cheap supply of cotton. Quarterly volatility is expected to reduce as demand for electricity increases and the Company connects more industrial customers.

As reported in our Q1 2007 report, the above average rains in January 2007 significantly improved the utilisation rates for the 561 MWs of Tanzania's installed hydro generation and filled the Mtera dam, which supplies water to the 80 MW Mtera and the 204 MW Kidatu hydro stations. This combined with average rains in April and May that fuelled the 277 MWs of 'run of river' hydros, meant that TANESCO could reduce its off take from the thermal generation in Q2 2007.

Total sales of Additional Gas to the power sector averaged 8.2 mmscf/d in Q2 2007 (Q2 2006: 8.1 mmscf/d). As Tanzania enters the dry season the utilisation rates of the thermal power plants has increased. Power sector gas volumes averaged 21.6 mmscf/d in July 2007.

Sales of Additional Gas to Orca's industrial customers increased 14% to 397 mmscf in Q2 2007 compared with 347 mmscf in Q2 2006. Industrial demand is forecast to continue to increase over 2007 as Orca constructs additional new low pressure distribution lines in the Dar es Salaam area. In July 2007 sales to the industrial sector averaged 4.6 mmscf/d.

CNG

To further expand gas sales Orca is planning, in collaboration with TDPC, to commence the sale of Compressed Natural Gas ("CNG") to industrial customers and to markets that are not located near the existing distribution pipeline. These new CNG markets include all of the major hotels in Dar es Salaam and Zanzibar.

The Company's first CNG initiative in the Dar es Salaam area was the demonstration of the product on two vehicles at the Dar es Salaam International Trade Fair in July 2007. This symbolic step was well received in Tanzania and the Company expects to commence the sale of CNG during 2008.

Infrastructure

The current configuration of the gas processing plant on Songo Songo Island limits the supply of gas to Dar es Salaam to 70 mmscf/d. The latest forecasts from TANESCO indicate that there will be a demand for additional gas processing capacity from mid-2008 depending on rainfall levels.

In Q4 2006, it was agreed that Songas would finance the installation of two new gas processing trains to increase capacity to 140 mmscf/d. The engineering design work has been completed and Songas submitted tender documents for the engineering, procurement and construction contract at the end of Q2 2007. It is expected that it will take 12 months from the time of awarding the tender for the new trains to be operational.

At the same time, Orca has been developing an alternative project that could increase the gas processing capacity to 105-110 mmscf/d in the short term. The Company is in discussion with Songas and MEM in respect of this alternative that would have the advantage of accelerating sales volumes to the power sector. Additional work is being undertaken to determine the most cost effective infrastructure configuration to meet forecast peak deliverability requirements over the next few years.

Outlook

The next eighteen months will be a period of significant operational activity with the potential for very substantial growth. In Uganda, a 2-D seismic programme will be shot before year end. Once the seismic results have been assessed, Orca may opt to drill two land wells in 2008. In Tanzania, SS-10 is expected to be completed by the end of October and several new gas supply contracts are expected to be signed with the power sector. These contracts will generate solid cash flows that could then be allocated to expanding gas reserves in Tanzania by drilling Songo Songo West and Songo Songo North in 2009.

Our strengthened oil acquisition and exploration team continues to evaluate oil projects in sub Saharan Africa with a view to identifying one further oil opportunity.

Orca is in a strong financial position with the raising of Cdn$34.5 million (Gross) through the issuance of 2.5 million Class B shares shortly after the end of Q2. The time is right to focus on sustained growth over the next two to three years. We have clear goals, the financial resources, the employee expertise and determination to succeed.

We thank our employees and shareholders for their continuing support.

Peter R. Clutterbuck
President & CEO
30 August 2007

Consolidated Income Statements (unaudited)

ORCA EXPLORATION GROUP INC. (formerly EastCoast Energy Corporation)

(thousands of US dollars except per share amounts)	**Three months ended 30-Jun 2007**	Three months ended 31-Mar 2007	Three months ended 30-Jun 2006	**Six months ended 30-Jun 2007**	Six months ended 30-Jun 2006
Revenue	**3,021**	3,831	3,198	**6,852**	5,271
Cost of sales					
Production and distribution expenses	**(261)**	(264)	(197)	**(525)**	(362)
Depletion expense	**(630)**	(915)	(382)	**(1,545)**	(706)
Gross profit	**2,130**	2,652	2,619	**4,782**	4,203
Other income	**64**	97	14	**161**	30
Administrative expenses	**(2,704)**	(2,248)	(1,562)	**(4,952)**	(2,855)
Foreign exchange losses	**(14)**	(71)	9	**(85)**	(32)
(Loss)/profit before taxation	**(524)**	430	1,080	**(94)**	1,346
Taxation	**(84)**	(302)	(420)	**(386)**	(603)
(Loss)/profit after taxation	**(608)**	128	660	**(480)**	743
(Loss)/profit per share					
Basic and diluted *(US$)*	**(0.02)**	-	0.03	**(0.02)**	0.03

Consolidated Balance Sheets (unaudited)

ORCA EXPLORATION GROUP INC. (formerly EastCoast Energy Corporation)

(thousands of US dollars)	**As at 30-Jun 2007**	As at 31-Mar 2007	As at 31-Dec 2006
ASSETS			
Current assets			
Cash and cash equivalents	**7,601**	14,736	20,678
Trade and other receivables	**4,931**	5,713	4,275
Inventory	**2,847**	-	-
	15,379	20,449	24,953
Natural gas properties and other equipment	**43,413**	29,085	18,951
	58,792	49,534	43,904
LIABILITIES			
Current liabilities			
Trade and other payables	**18,429**	9,879	4,523
Non current liabilities			
Deferred income taxes	**1,694**	1,351	1,229
Deferred additional profits tax	**377**	321	263
SHAREHOLDERS' EQUITY			
Capital stock	**36,217**	34,494	34,469
Capital reserve	**317**	1,123	1,182
Accumulated income	**1,758**	2,366	2,238
	38,292	37,983	37,889
	58,792	49,534	43,904

Consolidated Statements of Cash Flows (unaudited)

ORCA EXPLORATION GROUP INC. (formerly EastCoast Energy Corporation)

(thousands of US dollars)	Three months ended			Six months ended	
	30-Jun 2007	31-Mar 2007	30-Jun 2006	**30-Jun 2007**	30-Jun 2006
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit after taxation	**(608)**	128	660	**(480)**	743
Adjustments for:					
Depletion and depreciation	**661**	941	410	**1,602**	761
Stock-based compensation	**799**	(59)	96	**740**	192
Deferred taxation	**343**	122	123	**465**	236
Deferred additional profits tax	**56**	58	44	**114**	72
	1,251	1,190	1,333	**2,441**	2,004
Decrease (increase) in trade and other receivables	**782**	(1,438)	(2,032)	**(656)**	(1,214)
(Increase) in inventory	**(2,847)**	-	-	**(2,847)**	-
Increase in trade and other payables	**1,939**	1,068	1,506	**3,007**	930
Net cash flows from operating activities	**1,125**	820	807	**1,945**	1,720
CASH FLOWS USED IN INVESTING ACTIVITIES					
Petroleum and natural gas properties expenditures	(14,989)	(11,077)	(1,034)	**(26,066)**	(1,885)
Proceeds from sale of vehicle	-	2	-	**2**	-
Increase/(decrease) in trade and other payables	6,611	4,288	(429)	**10,899**	(322)
Net cash used in investing activities	**(8,378)**	(6,787)	(1,463)	**(15,165)**	(2,207)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from exercise of options	118	25	31	**143**	118
Net cash flow from financing activities	**118**	25	31	**143**	118
Decrease in cash and cash equivalents	**(7,135)**	(5,942)	(625)	**(13,077)**	(369)
Cash and cash equivalents at the beginning of the period	**14,736**	20,678	3,454	**20,678**	3,198
Cash and cash equivalents at the end of the period	**7,601**	14,736	2,829	**7,601**	2,829

Statement of Changes in Shareholders' Equity (unaudited)

ORCA EXPLORATION GROUP INC. (formerly EastCoast Energy Corporation)

(thousands of US dollars)	Capital stock	Capital reserve	Accumulated (loss) / income	Total
Balance as at 1 January 2006	16,237	764	(339)	**16,662**
Options exercised	118	-	-	**118**
Profit for the period	-	-	743	**743**
Stock-based compensation	-	192	-	**192**
Balance as at 30 June 2006	**16,355**	**956**	**404**	**17,715**

(thousands of US dollars)	Capital stock	Capital reserve	Accumulated (loss) / income	Total
Balance as at 1 January 2007	34,469	1,182	2,238	**37,889**
New stock issued	1,605	(945)	-	**660**
Options exercised	143	-	-	**143**
Loss for the period	-	-	(480)	**(480)**
Stock-based compensation	-	80	-	**80**
Balance as at 30 June 2007	**36,217**	**317**	**1,758**	**38,292**

Forward Looking Statements

This disclosure contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond Orca Exploration's control, including 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 and obtaining required approvals of regulatory authorities. 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, including the amounts of proceeds, that Orca Exploration will derive therefrom.

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