

30 August 2023

**ECO (ATLANTIC) OIL & GAS LTD.**

("Eco," "Eco Atlantic," "Company," or together with its subsidiaries, the "Group")

**Unaudited Results for the three months ended 30 June 2023**

**Eco (Atlantic) Oil & Gas Ltd. (AIM: ECO, TSX - V: EOG)**, the oil and gas exploration company focused on the offshore Atlantic Margins, is pleased to announce its results for the three months ended 30 June 2023.

**Highlights:**

**Financials (as at 30 June 2023)**

- The Company had cash and cash equivalents of US\$2.4 million and no debt.
- Eco has cash and cash equivalents of US\$4.7 million as at 30 August 2023.
- The Company had total assets of US\$53.31 million, total liabilities of US\$3.56 million and total equity of US\$49.75 million.

**Operations:**

**Guyana**

- Post Period end, on 10 August 2023, the Company signed a Sale Purchase Agreement for its wholly owned subsidiary, Eco Guyana Oil and Gas (Barbados) Limited to acquire a 60% Operated Interest in Orinduik Block, offshore Guyana, through the acquisition of Tullow Guyana B.V., a wholly owned subsidiary of Tullow Oil Plc. in exchange for a combination of upfront cash and contingent consideration.
- Eco, via its wholly owned subsidiary Eco (Atlantic) Guyana Inc, currently holds a 15% working interest in the Orinduik Block. On completion of the Transaction, which is subject to certain market-standard conditions precedent, including customary Government and JV partner approvals, Eco, as operator and majority interest holder in the Orinduik Block, intends to drive the exploration process and focus on its strategy to attract new partners to join the license and proactively engage in drilling.

**South Africa**

**Block 3B/4B**

- Post period end, on 17 July 2023, the Company issued 1,200,000 shares to the Lunn Family Trust in place of the US\$500,000 cash consideration due in respect of the acquisition of the 6.25% interest in Block 3B/4B from the Lunn Family Trust as previously announced on 27 June 2022.
- On 11 July 2023, the Company signed a legally binding Letter of Intent with Africa Oil to farm out a 6.25% Participating Interest in Block 3B/4B, offshore South Africa for up to US\$10.5 million in cash. On 14 August 2023, the parties signed the final Assignment and Transfer agreement. Additional US\$2.5m cash consideration is expected to be received upon Government of SA approval of the transfer, with the initial consideration of US\$2.5m already having been received.
- In March 2023, Africa Oil released a New Competent Person's Resource Report confirming that the Block contains an estimated P50 Prospective Resources of approximately four billion barrels of oil equivalent ("BOE"), one Billion BOE net to Eco Atlantic prior to the sale of the aforementioned Participating Interest which is expected to complete shortly.
- The JV partners continue to progress plans to conduct a two-well campaign on the Block in conjunction with progressing the collaborative farm out process, up to 55% gross working interest, with various potential parties.

**Block 2B**

- On 15 November 2022, a Production Right Application to the Petroleum Agency of South Africa, for Block 2B, based on the existing oil discovery of AJ-1 and potential future operations was submitted by the JV Partners.
- Eco continues to believe that Block 2B contains considerable hydrocarbon resources and looks forward to providing further updates as the Company looks to deliver value from the licence for all stakeholders.

## Namibia

- Following the significant drilling success in the area, Eco continues to receive third party interest in its strategic acreage position offshore Namibia.
- The Company continues to assess farm out opportunities with its four licences in the region as it considers options for progressing exploration and commercial activity on its acreage.

### Gil Holzman, President and Chief Executive Officer of Eco Atlantic, commented:

*"Our Q1 results serve as an important opportunity to remind investors of the strategic work which is happening across all areas of the portfolio. Recently announced deals in both South Africa and Guyana are examples of the team's efforts to position the portfolio to continue creating high-impact catalysts for investors. I am excited for the future and look forward to progressing our work programmes across our entire Atlantic Margin portfolio."*

The Company's unaudited financial results and Management's Discussion and Analysis for the three months ended 30 June 2023 are available for download on the Company's website at [www.eco-oil-and-gas.com](http://www.eco-oil-and-gas.com) and on Sedar at [www.sedar.com](http://www.sedar.com).

The following are the Company's Balance Sheet, Income Statements, Cash Flow Statement and selected notes from the annual Financial Statements. All amounts are in US Dollars, unless otherwise stated.

Balance Sheet	June 30, 2023	March 31, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,445,863	4,110,734
Short-term investments	13,107	13,107
Government receivable	25,971	22,494
Amounts owing by license partners, net	-	477,578
Accounts receivable and prepaid expenses	1,530,734	1,529,451
<b>Total Current Assets</b>	<b>4,015,675</b>	<b>6,153,364</b>
<b>Non- Current Assets</b>		
Investment in associate	8,446,043	8,612,267
Petroleum and natural gas licenses	40,852,020	40,852,020
<b>Total Non-Current Assets</b>	<b>49,298,063</b>	<b>49,464,287</b>
<b>Total Assets</b>	<b>53,313,738</b>	<b>55,617,651</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	3,371,460	4,416,789
Advances from and amounts owing to license partners, net	191,252	286,553
Warrant liability	-	261,720
<b>Total Current Liabilities</b>	<b>3,562,712</b>	<b>4,965,062</b>
<b>Total Liabilities</b>	<b>3,562,712</b>	<b>4,965,062</b>
<b>Equity</b>		
Share capital	121,570,983	121,570,983
Restricted Share Units reserve	920,653	920,653
Warrants	14,778,272	14,778,272
Stock options	2,052,810	2,804,806

	2,916,318	2,916,318
Foreign currency translation reserve	(1,754,385)	(1,458,709)
Accumulated deficit	(88,680,815)	(87,963,416)
<b>Total Equity</b>	<b>49,751,026</b>	<b>50,652,589</b>
<b>Total Liabilities and Equity</b>	<b>53,313,738</b>	<b>55,617,651</b>

## Income Statement

	Three months ended June 30,	
	2023	2022
<b>Revenue</b>		
Interest income	1,665	20,127
	<u>1,665</u>	<u>20,127</u>
<b>Operating expenses:</b>		
Compensation costs	184,442	269,309
Professional fees	96,003	219,685
Operating costs, net	350,180	1,943,451
General and administrative costs	112,473	257,290
Share-based compensation	111,512	1,001,219
Foreign exchange loss (gain)	(40,050)	284,427
Total operating expenses	<u>814,560</u>	<u>3,975,381</u>
<b>Operating loss</b>	<b>(812,895)</b>	<b>(3,955,254)</b>
Fair value change in warrant liability	261,720	1,430,984
Share of losses of company accounted for at equity	(166,224)	(92,303)
<b>Net loss for the period from continuing operations</b>	<b>(717,399)</b>	<b>(2,616,573)</b>
Loss from discontinued operations, after-tax	-	(98,113)
<b>Net loss for the period</b>	<b>(717,399)</b>	<b>(2,714,686)</b>
Foreign currency translation adjustment	(295,676)	(111,630)
<b>Comprehensive loss for the period</b>	<b>(1,013,075)</b>	<b>(2,826,316)</b>
Basic and diluted net loss per share:		
from continuing operations	(0.002)	(0.009)
from discontinued operations	(0.000)	(0.000)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	<u>367,348,680</u>	<u>293,654,835</u>

## Cash Flow Statement

	Three months ended June 30,	
	2023	2022
<b>Cash flow from operating activities - continued operations</b>		
Net loss from continuing operations	\$ (717,399)	\$ (2,616,573)
Items not affecting cash:		
Share-based compensation	111,512	1,001,219
Revaluation of warrant liability	(261,720)	(1,430,984)
Share of losses of companies accounted for at equity	166,224	92,303
Changes in non cash working capital:		
Government receivable	(3,477)	(25,774)
Accounts payable and accrued liabilities	(1,045,320)	1,681,064

Accounts payable and accrued liabilities	(1,043,323)	1,001,004
Accounts receivable and prepaid expenses	(1,283)	28,162
Reallocation to discontinued operations cashflows	-	(171,294)
Advance from and amounts owing to license partners	382,277	1,175,612
<b>Cash flow from operating activities - continued operations</b>	<b>(1,369,195)</b>	<b>(266,265)</b>
<b>Cash flow from operating activities - discontinued operations</b>	<b>-</b>	<b>104,919</b>
<b>Cash flow from financing activities</b>		
Proceeds from private placements, net	-	35,587,837
<b>Cash flow from financing activities</b>	<b>-</b>	<b>35,587,837</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(1,369,195)</b>	<b>35,426,491</b>
Foreign exchange differences	(295,676)	(111,630)
Cash and cash equivalents, beginning of period	4,110,734	3,438,834
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,445,863</b>	<b>\$ 38,753,695</b>

## Notes to the Financial Statements

### Basis of Preparation

The consolidated financial statements of the Company have been prepared on a historical cost basis with the exception of certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

### Summary of Significant Accounting Policies

#### Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties considered by management.

**\*\*ENDS\*\***

For more information, please visit [www.ecooilandgas.com](http://www.ecooilandgas.com) or contact the following:

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).*

#### Notes to editors:

#### About Eco Atlantic:

Eco Atlantic is a TSX-V and AIM-quoted Atlantic Margin-focused oil & gas exploration company with offshore license interests in Guyana, Namibia, and South Africa. Eco aims to deliver material value for its stakeholders through its role in the energy transition to explore for low carbon intensity oil and gas in stable emerging markets close to infrastructure.

Offshore Guyana in the proven Guyana-Suriname Basin, the Company holds a 15% Working Interest in the 1,800 km<sup>2</sup> Orinduik Block Operated by Tullow Oil. In Namibia, the Company holds Operatorship and an 85% Working Interest in four offshore Petroleum Licences: PELs: 97, 98, 99, and 100, representing a combined area of 28,593 km<sup>2</sup> in the Walvis Basin.

Offshore South Africa, Eco is Operator and holds a 50% working interest in Block 2B and a 26.25% Working Interest in Block 3B/4B operated by Africa Oil Corp., totalling some 20,643km<sup>2</sup>.

**Cautionary Notes:**

This news release contains certain "forward-looking statements", including, without limitation, statements containing the words "will", "may", "expects", "intends", "anticipates" and other similar expressions which constitute "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements reflect the Company's current expectations, assumptions, and beliefs, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. These forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Important factors that could cause actual results to differ materially from expectations include, but are not limited to, general economic and market factors, competition, the effect of the global pandemic and consequent economic disruption, and the factors detailed in the Company's ongoing filings with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com). Although forward-looking statements contained herein are based on what management considers to be reasonable assumptions based on currently available information, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable laws.

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