

01 August 2022

ECO (ATLANTIC) OIL & GAS LTD.

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

Full Year Results and Operational Update

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 year ended 31 March 2022.

Results Highlights:

Financials

- As at 31 March 2022, the Company had cash and cash equivalents of US\$3,403,885 and no debt.
- As at 31 March 2022, the Company had total assets of US\$45.9 million, total liabilities of US\$5.6 million and total equity of US\$40.2 million.
- In April and June 2022, post period end, Eco successfully raised combined gross proceeds of US\$37.8 million to fund its ongoing workstreams, with the Company's cash balance as at 29 July 2022 being US\$37.7 million.

Corporate

- During the period, Eco announced a number of strategic acquisitions and/or investments in line with the Company's strategy to expand its high impact exploration portfolio and deliver stakeholder value:
 - o The acquisition of 100% of Azinam Group Limited ("Azinam"), including Azinam's entire offshore asset portfolio in Orange Basin South Africa and Namibia, in return for a 16.5% equity stake in the enlarged Group. This transaction completed on 11 March 2022 and was formally approved by the TSXV on 11 May 2022.
 - o The acquisition of an additional 6.25% Participating Interest in Block 3B/4B, Orange Basin offshore South Africa, for a consideration of US\$10 million, which would provide the Company with a total 26.5% interest in the Block. The Company is awaiting satisfaction of the conditions precedent to completion of this transaction, including regulatory approval, and further announcements will be made in due course.
 - o On 14 March 2022, the strategic acquisition of JHI Associates Inc. ("JHI"), including JHI's 17.5% Working Interest ("WI") in the Canje Block offshore Guyana, was announced, however, on 14 June 2022 this transaction was terminated. Eco remains a significant shareholder in JHI with a holding of 7.3% (with an option to increase its shareholding to 11%).

Operations

- On 21 March 2022, Eco announced an updated Competent Person's Resource Report ("CPR") on its assets offshore Guyana, Namibia and South Africa.
- The report highlights Attributable Best Estimate, Prospective Resources:
 - o Guyana (Orinduik Block) - Net to Eco 681 mmbbls Oil and 544 BCF Gas
 - o South Africa (Blocks 2B & 3B/4B) - Net to Eco 864 mmbbls Oil and 309 BCF Gas
 - o Namibia (4 Blocks) - Net to Eco 6,705 mmbbls Oil and 6,565 BCF Gas
- Further details of the CPR can be found on the Company's website.

South Africa - Block 2B

- Block 2B Joint Venture partners have entered into a drilling contract for the Island Innovator semi-submersible rig with Island Drilling Company AS for the upcoming drilling of the Gazania-1 well, offshore South Africa.
- The well will be drilled 25km offshore in 150 meters of water to a depth of approximately 2,800 meters to target a stacked pay section up dip of the AJ-1 discovery and in the proven oil horizon.
- The JV partners remain on track to drill this significant well in Q3 2022, with the rig anticipated to mobilise on or around 8 August 2022 and spud expected during September 2022. The Company plans to seal and plug the well after the test with no remaining equipment left on the sea floor, and further updates on the well spud will be made in due

course.

South Africa - Block 3B/4B

- Eco holds a 20% Participating Interest in Block 3B/4B, which is located between 120-250kms offshore South Africa in the Orange Basin directly south of the multibillion barrels discoveries offshore Namibia announced earlier this year by Shell (Graff-1) and TotalEnergies (Venus-1) and has announced the acquisition of a further 6.25% interest, which remains subject to completion.
- The Block Partners are currently finalising the reprocessing of a large 3D seismic survey that will be used to high-grade leads towards identifying drilling targets and preparing for a potential drilling campaign next year.
- As noted above, further announcement(s) will be issued following receipt of government and/or regulatory approvals in respect of the acquisition of a further 6.25% interest in the Block.

Guyana - Orinduik Block

- The block partners are currently further defining the Orinduik geological modeling, prospects maturation and upgrading of the drilling targets inventory in an ongoing process. The intent is to provide further definition to the light oil Cretaceous targets' selection for drilling in the next drilling campaign.

Guyana - Canje Block

- Following termination of the proposed acquisition of JHI, Eco retains an indirect ownership of an interest in the Canje Block offshore Guyana through a 7.3% ownership in JHI.
- On July 5, 2021, the Company announced that it received a detailed update from JHI Associates Inc. The Jabillo-1 well in the Canje Block, offshore Guyana, reached its planned target depth and was evaluated but did not show evidence of commercial hydrocarbons. Jabillo-1 was plugged and abandoned. ExxonMobil (the Block operator) have filed for environmental permit to drill up to an additional 12 exploration wells on the Canje Block over the course of 2023 and 2024

Namibia

- The Company holds four offshore petroleum licenses in the Republic of Namibia being petroleum exploration license number 097 (the "Cooper License"), petroleum exploration license number 098 (the "Sharon License"), petroleum exploration license number 099 (the "Guy License") and petroleum exploration license number 100 (the "Tamar License"), (together the "Namibia Licenses").
- Eco has a strategically significant acreage position in-country and is progressing its various work programmes across its four blocks offshore Namibia.

Solear Ltd. (formerly Eco Atlantic Renewables [post period end])

- On January 26, 2021, the Company announced the formation of a new company to source, acquire and develop an exclusive pipeline of potential high yield solar energy projects.
- On January 29, 2022, the Company approved to sell the Kozani project in Greece and discontinue the renewable energy business to focus entirely on oil and gas exploration, subsequently announcing on 24 February 2022 that it had entered into an agreement for the sale of the asset. As such, all the assets and liabilities relating to the Kozani project have been reclassified to discontinued operations.
- The Company is awaiting receipt of the balance of consideration due from the acquiror in respect of this disposal, having received to date €120,000, and accordingly retains ownership of the asset. However, the acquiror has confirmed its commitment to completing the acquisition and the Company is considering a legal claim in the event that the consideration is not received in the coming months.

Outlook:

Guyana

- Guyana continues to be one of the most prolific exploration regions in the world, with approximately 11 billion barrels of oil discovered in the last six years. Eco and its JV partners have already delivered two substantial oil discoveries on the Orinduik Block and the licence continues to offer significant upside potential. With the increase in oil prices the JV partners are revisiting the Jethro discovery commercialisation potential.
- As previously reported, Eco and its JV partners are committed to further drilling on the Orinduik Block and, with its JV partners, are assessing all opportunities available to drill at least two exploration wells into the light oil cretaceous targets as soon as practical. The Company is fully aligned with its JV partners on careful target selection based on the reprocessed 3D and the block and nearby oil discoveries for the next drilling campaign and Eco expects to be able to update the market on further drilling plans in due course.
- Further updates on the Canje Block will be issued in due course.

The Orinduik JV partners are Eco Atlantic (15% working interest ("WI")), Tullow Guyana

B.V. ("Tullow") (Operator, 60% WI) and TOQAP Guyana B.V. ("TOQAP") (25% WI) a partnership between TotalEnergies E&P Guyana B.V. and Qatar Energy.

Namibia

- During the period, two significant hydrocarbon discoveries were made offshore Namibia. TotalEnergies reported a significant discovery of light oil with associated gas on the Venus prospect, located in block 2913B in the Orange Basin. The National Petroleum Corporation of Namibia ("Namcor") also reported on behalf of the Block 2913AJV Partners, Shell and Qatar Energy, a play opening light oil discovery at its Graff prospect in both the primary and secondary targets.
- Both discoveries, combined with further drilling plans offshore Namibia, have had a material impact on interest in hydrocarbon exploration in the region. Eco is witnessing considerable interest in its licences and is currently assessing options as to how best move forward with progressing exploration and commercial activity on them.

Total Voting Rights

It is noted that, pursuant to a historic amalgamation with Pan African Oil Limited ("PAO") within the Group, effected in January 2015, 841,824 outstanding common shares in the Company have now been cancelled as a result of such shares having not been claimed by certain vendors of PAO. Following this share cancellation, the issued share capital and total voting rights of the Company is 344,022,014 Common Shares. The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company.

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

"The past 12 months have seen us make considerable progress as a business, increasing our geographic footprint and overall acreage considerably, growing the company in some of the most active and exciting oil and gas exploration regions on the globe. This, combined with the improved commodity price conditions, means that interest in exploration activity in the areas where Eco has strategically important acreage has increased significantly."

"Our acquisition of Azinam has paved the way for our exciting near-term drilling campaign at Block 2B, offshore South Africa. The Gazania-1 well, in which we hold a 50% WI, is targeting a 300 million barrel light oil resource, which, if successful, would be transformational for Eco and the partners on the Block. We remain on track to spud the well in September with the rig mobilising from Norway in the next two weeks and we will provide updates as appropriate. At 3B/4B, we chose to increase our acreage position, as we believe that the licence holds significant potential, and we look forward to disclosing further progress on this licence in the medium term. Namibia has witnessed some of the largest hydrocarbon discoveries made in the world this year, making our strategic acreage in country highly valuable. As one of the largest licence holders in the region, we believe that we will be able to progress our operations in a swift manner."

"In Guyana, we continue to benefit from our interest in the Canje Block, via Eco's ca. 7.3% holding in JHI. The licence remains highly prospective and following the drilling of two wells in 2021, ExxonMobil and the licence partners are currently evaluating next steps. At Orinduik, alongside our partners on the block, we are further defining the geological modeling, prospects maturation and upgrading of the light oil drilling targets inventory, ahead of final target selection for drilling in the next campaign. We look forward to updating our stakeholders on the campaign in the near to medium term while we are making preparations to enter into the next exploration phase under the Orinduik Petroleum Agreement."

"Following the targeted completion of the sale of the Kozani Photovoltaic Park for a total of €1.8 million in the coming months, the Company will be exclusively focused on high impact oil and gas exploration projects and on progressing its near-term drilling opportunities offshore South Africa, Namibia and Guyana."

"Given the significant corporate activity over the last 12-18 months, as a Company we remain very positive about what the future holds and our ability to generate returns for all our stakeholders. The Company possesses highly strategic acreage in exploration hot spots, a robust balance sheet with over US\$37m in cash, an entrepreneurial and ambitious management team, and the potential for considerable operational catalysts that can create material and sustainable value for shareholders. As ever, we are excited about what the coming months will bring and look forward to updating the market on our progress over the coming months."

The Company's audited financial results for the year ended 31 March 2022, together with Management's Discussion and Analysis as at 31 March 2022, are available to download on the Company's website at www.ecoilandgas.com and on Sedar at 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.

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Balance Sheet

	March 31, 2022	March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	3,438,834	11,807,309
Short-term investments (Note 6)	52,618	1,552,640
Government receivable	27,487	22,697
Amounts owing by license partners, net	-	193,655
Accounts receivable and prepaid expenses (Note 7)	257,911	46,480
Assets held for sale (Note 11)	2,061,734	-
	5,838,584	13,622,781
Investment in associate (Note 8)	9,277,162	-
Petroleum and natural gas licenses (Note 10)	30,753,034	1,072,260
Renewable energy licenses (Note 11)	-	1,411,186
Right of use assets (Note 9)	-	332,495
Total Assets	45,868,780	16,929,177
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,931,823	501,022
Advances from and amounts owing to license partners, net	-	97,153
Short-term portion of lease liability	-	22,987
Current liabilities related to assets held for sale	473,254	-
Warrant liability	3,241,762	-
Total current liabilities	5,646,839	621,162
Lease liability	-	325,917
Total liabilities	5,646,839	947,079
Equity		
Share capital	63,141,609	59,099,725
Shares to be issued	20,766,996	-
Restricted Share Units reserve	267,669	267,669
Warrants	7,806,000	-
Stock options	958,056	2,675,724
Foreign currency translation reserve	(1,309,727)	(1,198,097)
Non-controlling interest	-	(48,674)
Accumulated deficit	(51,408,662)	(44,814,249)
Total Equity	40,221,941	15,982,098

Total Liabilities and Equity	45,868,780	16,929,177
Income Statement		
	Year ended March 31,	
	2022	2021
Revenue		
Interest income	3,556	47,097
	3,556	47,097
Operating expenses:		
Compensation costs	852,383	712,667
Professional fees	551,751	501,349
Operating costs	1,932,826	1,659,029
General and administrative costs	603,145	500,720
Share-based compensation	14,495	144,327
Interest expense	-	2,275
Foreign exchange gain	(116,631)	11,015
Total operating expenses	3,837,969	3,531,382
Operating loss	(3,834,413)	(3,484,285)
Fair value change in warrant liability	(263,136)	-
Share of losses of company accounted for at equity	(1,154,838)	-
Net loss for the year from continuing operations	(5,252,387)	(3,484,285)
Loss from discontinued operations, after-tax	(1,304,937)	(195,522)
Net loss for the year	(6,557,324)	(3,679,807)
Foreign currency translation adjustment	(111,630)	(80,238)
Comprehensive loss for the year	(6,668,954)	(3,760,045)
Net loss for the year attributed to:		
Equity holders of the parent	(6,557,324)	(3,631,133)
Non-controlling interests	-	(48,674)
	(6,557,324)	(3,679,807)
Basic and diluted net loss per share attributable to equity holders of the parent	(0.03)	(0.02)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	195,869,114	184,697,723
Cash Flow Statement		
	Year ended March 31,	
	2022	2021
Cash flow from operating activities		
Net loss from continuing operations	(5,252,387)	(3,484,285)
Net loss from discontinued operations	(1,304,937)	(195,522)
Items not affecting cash:		
Share-based compensation	14,495	144,327
Depreciation and amortization	-	24,204
Accrued interest	-	2,672
Revaluation of warrant liability	263,136	-
Share of losses of companies accounted for at equity	1,154,838	-
Changes in non-cash working capital:		
Government receivable	(4,790)	13,518
Accounts payable and accrued liabilities	(7,279)	41,583

Accounts receivable and prepaid expenses	530,121	(218)
Reallocation to discontinued operations cashflows	(317,340)	-
Net change in non-cash working capital items relating to discontinued operations	296,755	-
Advance from and amounts owing to license partners	-	(50,906)
	(4,627,388)	(3,504,627)

Cash flow from investing activities

Investment in associate	(10,000,000)	-
Security deposit	-	(490,455)
Acquisition of Liversol and Ponsol	-	(1,318,931)
Short-term investments	1,500,022	(1,499,903)
	(8,499,978)	(3,309,289)

Cash flow from financing activities

Proceeds from private placement, net	4,793,814	-
Acquisition of Azinam	2,590	-
Exercise of stock options	74,212	-
	4,870,616	-

Decrease in cash and cash equivalents	(8,256,750)	(6,813,916)
Foreign exchange differences	(111,725)	(45,791)
Cash and cash equivalents, beginning of year	11,807,309	18,667,016

Cash and cash equivalents, end of year	3,438,834	11,807,309
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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 km² 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 km² in the Walvis Basin.

Offshore South Africa, Eco is Operator and holds a 50% working interest in Block 2B and a 20% Working Interest (to be increased to a 26.25% Working Interest, subject to Completion of the Acquisition announced 27 June 2022) in Blocks 3B/4B operated by Africa Oil Corp., totalling some 20,643 km².

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. 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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