

29 August 2018

ECO (ATLANTIC) OIL & GAS LTD.

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

First Quarter Results for the three months ended 30 June 2018 and Operational Update

Eco (Atlantic) Oil & Gas Ltd. (AIM: ECO, TSX-V: EOG), the oil and gas exploration company with licences in highly prospective regions in South America and Africa, is pleased to announce its unaudited results for the three months ended 30 June 2018 and provide a corporate and operational update.

Corporate Highlights:

- **Guyana**
 - Eco has worked closely with the Tullow team through the processing and interpretation of the Orinduik survey, and as each batch of data has been delivered to Eco the data sets have been sent to Total. We anticipate delivery of the final data sets to Total in September 2018, which will trigger the commencement of the 120-day exercise period under the terms of the Total option. Once the final report has been provided to Total, an update will be provided to shareholders.
 - Gustavson Associates is currently in the process of preparing a 51-101 compliant Competent Person's Report ("CPR") for the Orinduik Block, based on the recent 3D interpretation. Eco expects that the CPR will be finalised during September 2018.
- **Namibia**
 - The Company was granted a one-year extension to the First Renewal Exploration Period for all of its Namibia Licenses to March 2019 by the Namibia Ministry of Mines and Energy. Each license will then enter the Second Renewal Period, which in turn has a two-year exploration phase which can be extended by a third year at the discretion of the Ministry.
 - The Company continues to monitor developments in this region, specifically the results of the two wells which are scheduled to be drilled during Q3 and Q4 2018 on PEL 37 (Tullow Oil) and PEL 71 (Chariot Oil and Gas) in the Walvis Basin. The results of these wells are expected to add a significant amount of information to the overall understanding of the petroleum systems in the Basin, including the blocks held by the Company.
- **New Ventures**
 - In line with the Company's strategy, Eco is actively identifying, evaluating and negotiating additional upstream project opportunities.
- **Financial highlights**
 - The Company ended the quarter with cash and cash equivalent of CAD\$13.0 million, total assets of CAD\$15.4 million, total liabilities of CAD\$226 thousand and total equity of CAD\$15.1 million

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

"During the last three months we have focused on completing our careful interpretation of the Orinduik data set and will shortly be issuing the final report to Total that moves us one step closer to triggering the exercise period for their option to farm into 25% of our Orinduik Block stake which will add USD\$12.5 million to our cash reserves if exercised. We continue to receive very interesting findings as our 3D interpretation progresses in Guyana, and, coupled with the recent additional Exxon discoveries in the adjacent Block, our partners continue to make excellent progress on the pre-drilling engineering and resource evaluation.

"Similarly, we have spent the last quarter advancing our Namibian assets, including the extension of the current exploration period across all of our licences through to March 2019, the beginning of the second two year Renewal Period. We have also been identifying and evaluating new opportunities in other frontier regions."

The Company's unaudited financial results for three months ended 30 June 2018, together with Management's Discussion and Analysis as at 30 June 2018, are available to download on the Company's website at www.ecooilandgas.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 Condensed Consolidated Interim Financial Statements (Unaudited). All amounts are in Canadian Dollars, unless otherwise stated.

Balance Sheet

	June 30, 2018 Unaudited	March 31, 2018 Audited
Assets		
Current assets		
Cash and cash equivalents	12,972,970	14,316,042
Short-term investments	74,818	74,818
Government receivable	19,768	23,626
Accounts receivable and prepaid expenses	806,960	832,322
	13,874,516	15,246,808
Petroleum and natural gas licenses	1,489,971	1,489,971
Total Assets	15,364,487	16,736,779
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	169,363	521,537
Advances from and amounts owing to license partners, net	56,708	209,487
	226,071	731,024
Equity		
Share capital	44,952,511	43,813,254
Shares to be issued	-	1,139,257
Restricted Share Units reserve	70,393	70,393
Warrants	167,931	167,931

Stock options	2,980,854	2,979,367
Non-controlling interest	(57,076)	(55,065)
Accumulated deficit	(32,976,197)	(32,109,382)
Total Equity	15,138,416	16,005,755
Total Liabilities and Equity	15,364,487	16,736,779

Income Statement

	Three months ended	
	June 30,	
	2018	2017
	Unaudited	
Revenue		
Interest income	8,843	6,503
	8,843	6,503
Operating expenses:		
Compensation costs	233,366	191,147
Professional fees	69,416	94,102
Operating costs	468,500	571,336
General and administrative costs	291,719	172,575
Share-based compensation	1,487	1,078,398
Foreign exchange (income) loss	(186,819)	20,928
Total expenses	877,669	2,128,486
Net loss and comprehensive loss	(868,826)	(2,121,983)
Net comprehensive loss attributed to:		
Equity holders of the parent	(866,815)	(2,121,983)
Non-controlling interests	(2,011)	-
	(868,826)	(2,121,983)
Basic and diluted net loss per share attributable to equity holders of the parent	(0.01)	(0.02)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	157,676,832	118,659,609

Cash Flow Statement

	Three months ended	
	June 30,	
	2018	2017
	Unaudited	
Cash flow from operating activities		
Net loss	(868,826)	(2,121,983)
Items not affecting cash:		
Share-based compensation	1,487	1,078,398
Changes in non-cash working capital:		
Government receivable	3,858	3,158
Accounts payable and accrued liabilities	(352,174)	(153,687)
Accounts receivable and prepaid expenses	25,362	143,274
Advance from and amounts owing to license partners	(152,779)	(44,791)
	(1,343,072)	(1,095,631)
Decrease in cash and cash equivalents	(1,343,072)	(1,095,631)
Cash and cash equivalents, beginning of period	14,316,042	6,088,567
Cash and cash equivalents, end of period	12,972,970	4,992,936

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**1. Nature of Operations**

The Company's business is to identify, acquire, explore and develop petroleum, natural gas, and shale gas properties. The Company primarily operates in the Co-Operative Republic of Guyana ("Guyana") and the Republic of Namibia ("Namibia"). The head office of the Company is located at 181 Bay Street, Suite 320, Toronto, ON, Canada, M5J 2T3.

As used herein, the term "Company" means individually and collectively, as the context may require, Eco (Atlantic) Oil and Gas Ltd. and its subsidiaries.

These consolidated financial statements were approved by the Board of Directors of the Company on August 28, 2018.

****ENDS****

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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 Regulations (EU) No. 596/2014.

Notes to editors

Eco Atlantic is a TSX-V and AIM listed Oil & Gas exploration and production Company with interests in Guyana and Namibia where significant oil discoveries have been made.

The Group aims to deliver material value for its stakeholders through oil exploration, appraisal and development activities in stable emerging markets, in partnership with major oil companies, including Tullow, ONGC, Total (optional) and AziNam.

In Guyana, Eco Guyana holds a 40%⁽¹⁾ working interest alongside Tullow Oil (60%) in the 1,800 km² Orinduik Block in the shallow water of the prospective Suriname Guyana basin. The Orinduik Block is adjacent and updip to the deep-water Liza Field and Snoek, Payara, Pacora, Turbot and Longtail Discoveries, recently discovered by ExxonMobil and Hess, which is estimated to contain in excess of 3.7 billion barrels of oil equivalent, making it one of a handful of billion-barrel discoveries in the last half-decade.

In Namibia, the Company holds interests in four offshore petroleum licences totaling approximately 25,000km² with over 2.3 billion barrels of prospective P50 resources in the Walvis and Lüderitz Basins. These four licences, Cooper, Guy, Sharon and Tamar are being developed alongside partners, which include Tullow Oil, AziNam and NAMCOR. Drilling activity in Namibia is set to gather pace in 2018 and 2019, with a few wells confirmed to be spud on Tullow PEL 037 and Chariot Central Blocks. The Company has applied for a drilling permit on its Cooper (Operator) Block.

(1) Total E&P Activités Pétrolières, (a wholly owned subsidiary of Total SA) ("Total") has purchased an option from Eco to acquire a 25% Working Interest in the Orinduik Block for and additional US\$12.5 million.

