

13 November 2017

TSXV: EOG; AIM: ECO

ECO (ATLANTIC) OIL & GAS LTD.

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

CAD \$14m subscription by Africa Oil Corp

Strategic Alliance Agreement on Current and New Ventures

Eco (Atlantic) Oil & Gas Ltd. (AIM: ECO; TSX-V: EOG), is pleased to announce that the Company has entered into an agreement with Africa Oil Corp ("AOC") whereby AOC has subscribed for shares in the Company as well as entered into a Strategic Alliance Agreement to identify new projects to add to the Company's portfolio (the "Subscription Agreement").

Highlights:

- The Company is raising approximately CAD \$14 million (£8.46 million) by way of a subscription
- The price of the Subscription Shares represents a premium of approximately 28% per cent to the closing mid-market price of 0.375c (TSX-V) / 22.25GBp (AIM) on 10 November 2017
- AOC will hold an interest in Eco of approximately 19.77% per cent. on Admission
- Funds raised will be used to actively identify, negotiate and contract new oil and gas exploration assets and conduct the initial work programmes
- Keith Hill, president and CEO of AOC, expected to be appointed to the Board of Eco as a non-executive director
- Derek Linfield, a non-executive director of Eco, will step down from the Board of Eco in order to make room for Keith Hill. Mr. Linfield will continue to serve as a consultant to the Company
- Strategic Alliance Agreement entered into with AOC to bid jointly on any new assets or ventures proposed to be acquired by Eco

Gil Holzman, President and CEO of Eco commented:

"We are delighted to have entered into these agreements with AOC. AOC are a like-minded company with a similar philosophy. They are, like Eco, leaders in and focused on frontier regions with a view to acquiring and developing world class assets. They have a broad and highly experienced technical team as well as significant financial muscle to deliver their programmes and strategy. Also the fact that AOC has chosen Eco as a strategic investment is a powerful further endorsement of Eco's strategy as well as a testament to the Company's future potential and the quality of our portfolio.

"Eco is now in an incredibly strong financial position. We are funded for our forthcoming work programmes in both Guyana and Namibia through a series of agreements with Tullow Oil, AziNam, and Total and through these new agreements with AOC; we now also have the

capability, as well as an industry leading partner, to identify further assets and to accelerate the work programmes on them. AOC is also, through its shareholding, now intrinsically aligned with Eco to deliver this strategy."

"This is a very exciting and busy time for Eco and we look forward to working with the AOC team to identify new projects to add to our portfolio whilst progressing our current assets in Guyana and Namibia together with our existing industry leading partners.

"I would also like to thank Derek Linfield for his great services to the company as a NED in the past year. Derek joined the board to contribute his expertise in assisting companies with AIM and TSX-listings and was of great assistance on our AIM listing. However, he has offered to step aside to make room for Keith Hill to join the board on behalf of our new strategic investor. We are delighted that Derek will continue as a consultant to the Company to contribute his vast experience in the Canadian and UK capital markets and in securities and corporate law, as well as in the natural resources sector."

Further Information

The Company is raising CAD \$14 million (£8.46 million) by way of a subscription for 29,200,000 new common shares of no par value ("Common Shares") (the "Subscription Shares") at CAD 0.48 (approximately GBP 0.29) per Subscription Share by Africa Oil Corporation (the "Subscription"). In conjunction with the Subscription, Eco Atlantic has also entered into a Strategic Alliance Agreement with Africa Oil Corporation ("AOC") in relation to certain strategic arrangements, as further detailed below.

The net proceeds of the Subscription, amounting to approximately CAD \$13.5 million (£8 million GBP) will be applied to actively identifying, negotiating and contracting new oil and gas exploration assets to be added to the Company's current portfolio, the conduct of initial work programmes (including seismic surveys) on blocks under application, working capital for additional due diligence on potential licence acquisitions, potential advancement of work programmes on the Tamar and Sharon blocks offshore Namibia, and to provide general corporate working capital.

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia, including the South Lokichar Basin (25% working interest in Blocks 10BB and 13T), where the company and its Joint Venture Partners are undertaking activities aimed at sanctioning development. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

Following completion of the Subscription, Mr. Keith Hill, President and CEO of AOC is expected to join the Board of Eco as a non-executive director. A further announcement will be made at that time.

Following the issue of the Subscription Shares, AOC will hold 29,200,000 Common Shares in Eco Atlantic representing approximately 19.77 per cent. of the Company's issued share capital as enlarged by the Subscription Shares.

Further details on the Subscription

The Subscription is conditional on approval by the TSX Venture Exchange and admission of the Subscription Shares to trading on AIM ("Admission"). Application for Admission will be made once the Subscription proceeds have been received, which is currently expected to take place of 15 November 2017 (or such other date as is mutually agreed between the parties). Admission is therefore currently expected to commence at 8:00am on 17 November 2017. On Admission, the Company will have a total of 147,683,433 common shares in issue.

The Subscription Agreement includes standard representations and warranties as well as the following key terms

- AOC will have the right, for so long as it holds over 10 per cent. of the Company's issued share capital, to participate in any future equity financing at the same price as any other participants on a pro rata basis to its percentage holding in the Company at the time of any such fundraise (excluding the issue of common shares pursuant to the exercise of convertible securities, issues of common shares to Directors and employees of the Company or any capital reorganisation).
- AOC will have the right, for so long as it holds over 12.5 per cent. of the Company's issued share capital, to nominate a Director to the Board of Eco Atlantic subject to approval by the Company's Nominated Adviser in accordance with the AIM Rules
- For a period of 24 months from Admission, save where there has been a material change in the Board of Eco, AOC (including its affiliates and representatives) will not, without the prior permission of Eco Atlantic, acquire more than 29.9 per cent. of the Company's issued share capital from time to time. A material change to the Board shall be determined as being a change in both the Chief Executive and Chief Operating Officer of the Company or the appointment or election of new individuals to more than five board positions (post the changes pursuant to this Subscription). For the same period, AOC also agrees not to engage in any proxy solicitation of, or make any tender offers to, Eco Atlantic's shareholders, nor will it seek to control the management or board of Eco Atlantic.
 - o AOC also agrees that it will not sell its entire holding of common shares, nor any portion of its holding of 5 per cent. or more, to any third party unless such acquiring party agrees to the terms above regarding the acquisition of common shares in Eco. This condition will not apply to any sales of common shares by AOC made to unknown third parties through a recognised stock exchange.
- The Subscription agreement contains terms governing the relationship between Eco Atlantic and AOC to provide certain safeguards to ensure, inter alia, that for so long as AOC and its associates together are entitled to exercise or control the exercise of 17.5 per cent. or more of the issued share capital of the Company, Eco Atlantic is capable of carrying on its business independently of AOC as a substantial shareholder.
- The Subscription Shares are subject to a standard 4 month and 1 day lock in from the date of the Subscription.

Concurrent with the completion of the Subscription, Eco Atlantic and AOC have entered into a Strategic Alliance Agreement pursuant to which:

- AOC will be entitled to bid jointly on any new assets or ventures proposed to be acquired by Eco Atlantic on the same terms as the Company and for an interest at least equal to its percentage holding of the common shares in Eco Atlantic from time to time.
- AOC will be entitled to participate in any ongoing licence applications or acquisition processes, on reasonable commercial terms to be agreed by the parties acting in good faith, for an interest at least equal to its percentage holding of the common shares in Eco Atlantic from time to time.

- AOC will be entitled to a right of first offer in respect of any asset for which Eco Atlantic seeks to farm out an interest.

Advisers

Pareto Securities, Strand Hanson Limited and Brandon Hill Capital acted as financial advisors to the Company on this transaction.

For more information, please visit www.ecooilandgas.com or contact the following:

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Notes to editors

Eco Atlantic is a TSX-V and AIM listed oil and 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 and AziNam.

In Guyana, Eco Guyana holds a 40 per cent working interest alongside Tullow Oil (60 per cent) 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, recently discovered by ExxonMobil and Hess, which is estimated to contain as much as 2.5 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 25,000 km² with over 2.3 billion barrels of prospective P50 resources in the Wallis and Lüderitz Basins. These four licences, Cooper, Guy, Sharon and Tamar are being developed alongside partners, which include Tullow Oil, AziNam and NAMCOR. Significant 3D and 2D surveys and interpretation have been completed with drilling preparations expected to begin in 2018.

Africa Oil Corp is Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

<http://www.africaoilcorp.com>

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.