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TSX-V: EOG
AIM: ECO

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TSXV: EOG; AIM: ECO

ECO (ATLANTIC) OIL & GAS LTD.

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

Final Results for the three and six months ended 30 September 2017 and Business 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 results for the three and six months ended 30 September 2017.

Operational Highlights:

- Together with its operating partner, Tullow Oil ("Tullow"), the Company has completed a circa 2,550 km² 3D seismic survey on the 1,800 km² Orinduik Block, offshore Guyana, almost two years ahead of schedule, thereby de-risking the existing defined targets located up dip and just a few kilometers from Exxon's recent Liza, Snoek, Turbot-1, and Payara discoveries on the Stabroek block containing oil reserves estimated at 2.8 billion barrels of recoverable oil. Processing has commenced in October 2017 is expected to be completed in January 2018.
- The Company, as operator of the Cooper Block, offshore Namibia, has published a public notice for Environmental Clearance Certificate (ECC) for drilling an exploration well on the Block, a key clearance required ahead of potential drilling on the Block.

Financial Highlights:

- Through the Company's subsidiary, Eco Atlantic (Guyana) Inc. ("Eco Guyana"), we entered into an option agreement that provides Total E&P Activités Pétrolières, (a wholly owned subsidiary of Total SA) ("Total"), with an option to acquire a 25% Working Interest in the Orinduik Block. Total paid US\$ 1 million for the option. Total has 120 days from the date of receipt of the 3D seismic data to exercise the option in return for a US\$12.5 million cash payment to Eco Guyana.
- On November 13, 2017, the Company entered into an agreement with Africa Oil Corp ("AOC") whereby AOC subscribed for 29,200,000 shares in the Company for gross proceeds of \$14 million.
- The Company and AOC also entered into a Strategic Alliance Agreement to identify new projects to add to the Company's portfolio. The completion of the subscription, share issuance and transfer of funds was completed on November 16, 2017.
- Current cash on hand of approximately CAD\$16.4 million.

Gadi Levin, Finance Director of Eco Atlantic, commented:

"We are pleased to present our financial report for the three and six months ended 30 September 2017. The money raised in our AIM IPO back in February 2017, was put into work on our licenses across Namibia and Guyana during the six months ended September 2017. Following the completion of the expanded 2,550km² 3D seismic survey on our Orinduik Block, we were able to secure US\$ 1 million from Total as payment for an option to farm into our Orinduik Block. Earlier this month, we completed a CAD\$14 million private placement by Africa Oil. These two transactions, with two such experienced industry leaders, have transformed the Company's balance sheet, and we are now well positioned to continue to advance all of our exiting licenses, whilst perusing new opportunities in frontier areas. Total's potential exercise of its option to farm in to our Orinduik block will potentially add an additional US\$12.5m to our balance sheet, which would bring our treasury to approximately CAD\$30 million. We also continue to invest more time in the UK strengthening our investors' base and the market at large."

The Company's unaudited financial results for the three and six months ended 30 September 2017, together with Management's Discussion and Analysis as at 30 September 2017, are available to download on the Company's website at www.ecooilandgas.com and on Sedar at www.sedar.com.

Balance Sheet

	September 30, 2017	March 31, 2017
	Unaudited	Audited
Assets		
Current assets		
Cash and cash equivalents	\$ 4,653,067	\$ 6,088,567
Short-term investments	49,818	49,818
Government receivable	20,013	26,609
Accounts receivable and prepaid expenses	859,410	1,100,491
	5,582,308	7,265,485
 Petroleum and natural gas licenses	 1,489,971	 1,489,971
Total Assets	\$ 7,072,279	\$ 8,755,456
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 378,386	\$ 630,761
Advances from and amounts owing to license partners	1,583,723	169,868
	1,962,109	800,629
Equity		
Share capital	27,073,598	26,961,675
Restricted Share Units reserve	1,139,537	184,029
Warrants	238,236	237,267
Stock options	3,033,236	2,985,732
Non-controlling interest	(76,288)	(76,288)
Accumulated deficit	(26,298,149)	(22,337,588)
Total Equity	5,110,170	7,954,827
Total Liabilities and Equity	\$ 7,072,279	\$ 8,755,456

Income Statement

	2017	2016	2017	2016
	Unaudited		Unaudited	
Revenue				
Income from option agreement	\$ 1,248,000	\$ -	\$ 1,248,000	\$ -
Interest income	27,054	1,093	33,557	3,532
	1,275,054	1,093	1,281,557	3,532
Operating expenses:				
Compensation costs	212,566	79,265	403,713	187,177
Professional fees	60,739	91,713	154,841	156,113
Operating costs	2,437,574	797,681	3,008,910	1,168,884
General and administrative costs	291,153	127,258	463,728	235,264
Share-based compensation	20,006	64,394	1,098,404	74,920
Foreign exchange loss	91,594	(16,153)	112,522	(9,044)
	3,113,632	1,144,158	5,242,118	1,813,314
Net loss and comprehensive loss	\$ (1,838,578)	\$ (1,143,065)	\$ (3,960,561)	\$ (1,809,782)
Net comprehensive loss attributed to:				
Equity holders of the parent	(1,838,578)	(1,143,065)	\$ (3,960,561)	\$ (1,809,782)
Non-controlling interests	-	-	-	-
	\$ (1,838,578)	\$ (1,143,065)	\$ (3,960,561)	\$ (1,809,782)
Basic and diluted net loss per share attributable to equity holders of the parent	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	118,545,933	85,883,719	118,659,609	85,471,322

Cash Flow Statement

	Six Months Ended September 30,	
	2017	2016
	Unaudited	
Cash flow from operating activities		
Net loss from continued operations	\$ (3,960,561)	\$ (1,809,782)
Items not affecting cash:		
Write-down of license	-	
Share-based compensation	1,098,404	74,920
Depreciation	-	259
Changes in non-cash working capital:		
Government receivable	6,596	(13,706)
Accounts payable and accrued liabilities	(234,875)	(28,856)
Accounts receivable and prepaid expenses	241,081	82,815
Advance from and amounts owing to license partners	1,413,855	288,774
	(1,435,500)	(1,405,576)
Cash flow from financing activities		
Share repurchases	-	(271,121)
	-	(271,121)
Decrease in cash and cash equivalents	(1,435,500)	(1,676,697)
Cash and cash equivalents, beginning of year	6,088,567	3,463,178
Cash and cash equivalents, end of period	\$ 4,653,067	\$ 1,786,481

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

1. Basis of Preparation and Going Concern

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.

The ability of the Company to continue as a going concern depends upon the discovery of any economically recoverable petroleum, natural gas and CBM reserves on its licenses, the ability of the Company to obtain financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition. The Company is a development stage company and has not earned any revenues to date. These condensed consolidated interim financial statements do not reflect any adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

There can be no assurance that the Company will be able to raise funds in the future, in which case the Company may be unable to meet some of its future obligations. These matters raise significant doubt about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts recorded on its condensed consolidated interim statements of financial position.

The Company has accumulated losses of \$26,298,149 since its inception and expects to incur further losses in the development of its business.

2. Subsequent Events

On November 13, 2017, the Company entered into an agreement with Africa Oil Corp ("AOC") whereby AOC subscribed for 29,200,000 shares in the Company for gross proceeds of \$14 million, at an approximately 28% premium to the closing mid-market price on November 10, 2017. The Company and AOC also entered into a Strategic Alliance Agreement to identify new projects to add to the Company's portfolio. The Completion of the subscription, share issuance and transfer of funds was completed on November 16, 2017.

****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 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, recently discovered by ExxonMobil and Hess, which is estimated to contain as much as 1.4 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.

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