

31 August 2018

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

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

## **Eco Atlantic Comments on Exxon's Ninth Major Discovery in Guyana - Hammerhead-1**

From Guyana today, on ExxonMobil Corporation ("Exxon")'s Stabroek Block, Exxon and Hess Corporation have announced a new oil discovery of 60 metres (197 feet) of net pay of high-quality, oil-bearing sandstone reservoir in the Hammerhead-1 well. Exxon's Hammerhead-1 oil discovery is located approximately 7km from Eco's Orinduik licence boundary, where Eco (40%) and Tullow (60%, Operator) are partners (the "Partners"). This well has very positive implications for Eco and Tullow's adjacent acreage.

The Hammerhead-1 was drilled to a Total Depth of 4,225 metres and discovered material quantities of oil in turbidite channel systems. The Orinduik Block partnership has extensively studied 2D Geophysics throughout the area including out onto the Stabroek block and has completed a 2,550 km<sup>2</sup> 3D Survey last year. This 3D Survey includes the Hammerhead-1 well location and shows that these channel systems do extend up dip onto the Orinduik license. For the past eight months, the Tullow and Eco teams have been coordinating a detailed interpretation of the 3D seismic data, and this phase of the work is now nearing completion and progressing to target selection. Seeing and understanding the play, and today's Exxon discovery, is a major milestone for the Company.

The Partners agree that the Hammerhead-1 discovery has now materially de-risked one of the many similar channel systems in our Orinduik Block, positively mitigating both reservoir and migration principal risks. The Partners confirm that this area has of today been de-risked, and will shortly be in a position to pick the well location for our first well on this licence. We remain on track for drilling mid 2019.

#### **Colin Kinley, Chief Operating Officer and Director of Eco Atlantic commented:**

*"We have carefully been analysing the channel systems and fan complexes on our Orinduik block for the past year and each successful well drilled by Exxon next door lowers our risks here. We have been painstakingly careful and meticulous in our processing quality control and with our interpretation and have shared efforts between our team of experts at Eco, Tullow and Gustavson and now with Total as they consider the exercise of their option. We all are confident in our understanding of these systems and this discovery immediately off board of our eastern border confirms our analysis. We see a number of significant resource opportunities on Orinduik and will be releasing a CPR (NI51-101 Compliant) on what we see as system potential in the near term.*

*"As the Hammerhead - 1 oil discovery is in very close proximity to the Orinduik Block boundary, the Tullow and Eco teams will now continue to carefully review today's findings so as to better understand its technical and commercial implications"*

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

**For more information, please visit [www.ecoilandgas.com](http://www.ecoilandgas.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 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%<sup>(1)</sup> working interest alongside Tullow Oil (60%) in the 1,800 km<sup>2</sup> 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 25,000 km<sup>2</sup> 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.