

Eco (Atlantic) Oil & Gas Ltd.
Condensed Consolidated Interim Financial Statements
For the Three and Six Month Periods ended September 30, 2019
(Unaudited)

NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Eco (Atlantic) Oil & Gas Ltd. for the three and six month periods ended September 30, 2019 and 2018 have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 3). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Table of Contents

September 30, 2019 and 2018

Contents	Page
Unaudited	
Condensed Consolidated Interim Statements of Financial Position	2
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss	3
Condensed Consolidated Interim Statements of Equity	4
Condensed Consolidated Interim Statements of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Statements	6 -18

Eco (Atlantic) Oil & Gas Ltd.

Consolidated Statements of Financial Position

	September 30, 2019	March 31, 2019
	Unaudited	Audited
Assets		
Current assets		
Cash and cash equivalents	\$ 30,654,374	\$ 25,007,479
Short-term investments (Note 4)	74,818	74,818
Government receivable	42,612	33,104
Accounts receivable and prepaid expenses	50,338	80,926
	30,822,142	25,196,327
Petroleum and natural gas licenses (Note 5)	1,489,971	1,489,971
Total Assets	\$ 32,312,113	\$ 26,686,298
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 147,986	\$ 423,513
Advances from and amounts owing to license partners, net	2,328,675	1,127,675
Total Liabilities	2,476,661	1,551,188
Equity		
Share capital (Note 7)	78,759,680	50,025,998
Restricted Share Units reserve (Note 7)	356,493	111,493
Warrants (Note 8)	70,280	52,775
Stock options (Note 9)	3,278,086	3,184,658
Accumulated deficit	(52,629,086)	(28,239,814)
Total Equity	29,835,453	25,135,110
Total Liabilities and Equity	\$ 32,312,114	\$ 26,686,298

Basis of Preparation (Note 2)

Commitments (Notes 5 and 13)

Subsequent Events (Notes 16)

Approved by the Board of Directors of the Company

“Gil Holzman”

Director

“Gadi Levin”

Director

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Eco (Atlantic) Oil & Gas Ltd.

Consolidated Statements of Operations and Comprehensive Loss

	Three months ended		Six months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Revenue				
Interest income	134,415	88,132	304,210	96,975
	134,415	88,132	304,210	96,975
Operating expenses:				
Compensation costs	342,627	291,575	558,922	524,941
Professional fees	289,636	77,069	313,826	102,362
Operating costs (Notes 14)	6,851,804	1,293,895	15,109,935	1,762,395
General and administrative costs (Note 15)	473,423	340,349	1,000,588	632,068
Share-based compensation (Notes 9(i))	7,409,504	1,486	7,468,361	2,973
Foreign exchange gain	291,195	233,848	241,850	91,152
Total expenses	15,658,189	2,238,222	24,693,482	3,115,891
Net loss and comprehensive loss	\$ (15,523,774)	\$ (2,150,090)	\$ (24,389,272)	\$ (3,018,916)
Basic and diluted net loss per share attributable to equity holders of the parent	\$ (0.09)	\$ (0.01)	\$ (0.13)	\$ (0.02)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	182,038,204	159,195,217	181,112,949	158,619,131

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Eco (Atlantic) Oil & Gas Ltd.

Consolidated Statements of Changes in Equity

	Number of Shares	Capital \$	Shares to be issued \$	Restricted Share Units \$	Warrant Reserve \$	Stock Options \$	Deficit \$	Non- controlling Interest \$	Total Equity \$
Balance, March 31, 2018 (Audited)	157,494,833	43,813,254	1,139,257	70,393	167,931	2,979,367	(32,109,382)	(55,065)	16,005,755
Issuance of shares	1,700,384	1,139,257	(1,139,257)	-	-	-	-	-	-
Stock options expensed	-	-	-	-	-	2,973	-	-	2,973
Purchase of minority interest in PAO	-	-	249,000	-	-	-	(304,065)	55,065	-
Net profit for the period	-	-	-	-	-	-	(3,018,916)	-	(3,018,916)
Balance, September 30, 2018 (Unaudited)	159,195,217	44,952,511	\$ 249,000	\$ 70,393	\$ 167,931	\$ 2,982,340	\$ (35,432,363)	\$ -	\$ 12,989,812
Purchase of non-controlling interest in PAO	300,000	249,000	(249,000)	-	-	-	-	-	-
Issuance of shares from RSU's	3,000,000	4,110,000	-	41,100	-	-	-	-	4,151,100
Exercise of warrants	1,680,313	633,818	-	-	(115,156)	-	-	-	518,662
Exercise of stock options	200,000	80,669	-	-	-	(20,669)	-	-	60,000
Stock options expensed	-	-	-	-	-	222,987	-	-	222,987
Net profit for the period	-	-	-	-	-	-	7,192,549	-	7,192,549
Balance, March 31, 2019 (Audited)	164,375,530	50,025,998	-	111,493	52,775	3,184,658	(28,239,814)	-	25,135,110
Issuance of shares (Note 7(i))	16,159,695	21,338,853	-	-	-	-	-	-	21,338,853
Issuance of shares from RSU's (Note 7(iv))	2,900,000	7,105,000	-	245,000	-	-	-	-	7,350,000
Issuance of warrants (Note 8(ii))	-	-	-	-	70,280	-	-	-	70,280
Exercise of warrants (Note 7(ii))	592,498	214,551	-	-	(52,775)	-	-	-	161,776
Exercise of stock options (Note 7(iii))	241,250	75,278	-	-	-	(24,933)	-	-	50,345
Stock options expensed (Note 9)	-	-	-	-	-	118,361	-	-	118,361
Net loss for the period	-	-	-	-	-	-	(24,389,272)	-	(24,389,272)
Balance, September 30, 2019 (Unaudited)	184,268,973	\$ 78,759,680	\$ -	\$ 356,493	\$ 70,280	\$ 3,278,086	\$ (52,629,086)	\$ -	\$ 29,835,453

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Eco (Atlantic) Oil & Gas Ltd.

Consolidated Statements of Cash Flows

	Six months ended September 30,	
	2019	2018
	Unaudited	
Cash flow from operating activities		
Net loss from operations	\$ (24,389,272)	\$ (3,018,916)
Items not affecting cash:		
Share-based compensation	7,468,361	2,973
Warrants issued for services	70,280	-
Changes in non-cash working capital:		
Government receivable	(9,509)	(4,505)
Accounts payable and accrued liabilities	(275,527)	(291,294)
Accounts receivable and prepaid expenses	30,588	40,413
Advance from and amounts owing to license partners	1,201,000	284,515
	(15,904,079)	(2,986,814)
Cash flow from financing activities		
Net proceeds from Private Placement	21,338,853	-
Proceeds from the exercise of stock options	50,345	-
Proceeds from the exercise of warrants	161,776	-
	21,550,974	-
Increase (decrease) in cash and cash equivalents	5,646,895	(2,986,814)
Cash and cash equivalents, beginning of year	25,007,479	14,316,042
Cash and cash equivalents, end of period	\$ 30,654,374	\$ 11,329,228

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

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 7 Coulson Avenue, Toronto, ON, Canada, M4V 143.

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 condensed consolidated interim financial statements were approved by the Board of Directors of the Company on November 19, 2019.

2. Basis of Preparation

The condensed consolidated interim financial statements of the Company have been prepared on a historical cost basis with the exception of certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. Summary of Significant Accounting Policies

Statement of compliance

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") using the accounting policies described herein as issued by International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting. The unaudited condensed consolidated interim financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2019.

Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2019 could result in restatement of these condensed consolidated interim financial statements.

Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries, Eco (BVI) Oil & Gas Ltd., Eco (Barbados) Oil & Gas Holdings Ltd., Eco Guyana Oil & Gas (Barbados) Ltd., Eco (Atlantic) Guyana Inc. ("Eco Guyana"), Eco (Atlantic) Guyana Offshore Inc., Eco Namibia Oil & Gas (Barbados) Ltd., Eco Oil and Gas (Namibia) (Pty) Ltd., Eco Oil and Gas Services (Pty) Ltd., Eco Atlantic Holdings Ltd., Pan African Oil Namibia Holdings (Pty) Ltd., Pan African Oil Namibia (Pty) Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

3. Summary of Significant Accounting Policies (continued)

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties considered by management.

i) Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

4. Short-term Investments

The Company's short-term investments comprise interest bearing deposits with its primary bank of \$74,818 (September 30, 2018 - \$74,818), which are held as collateral for the Company's credit-cards.

5. Petroleum and Natural Gas Licenses

	Balance April 1, 2018	Additions	Impairment, Sale and Abandonment	Balance September 30, 2019
Licenses	\$ 1,489,971	\$ -	\$ -	\$ 1,489,971

	Balance April 1, 2017	Additions	Impairment, Sale and Abandonment	Balance March 31, 2018
Licenses	\$ 1,489,971	\$ -	\$ -	\$ 1,489,971

- (i) The oil and gas interests of the Company are located both offshore in Guyana and offshore in Namibia.

5. Petroleum and Natural Gas Licenses (continued)

(ii) Guyana

- a. The Guyana license covers the Orinduik block, offshore Guyana. The Orinduik block is situated in shallow to deep water (70m – 1,400m), 170 kilometers offshore Guyana in the Suriname Guyana basin (“Guyana License”) and is located in close proximity to the Exxon’s 14 recent oil discoveries which is estimated by Exxon to contain an estimated 6 billion recoverable barrels of oil (BOE).
- b. In accordance with the Guyana Petroleum Agreement and following Total E&P Activités Pétrolières’ (“Total”) farm in (as defined below), Eco Guyana holds a 15% working interest in the Guyana License, Total holds a 25% working interest and Tullow Guyana B.V. (“Tullow Guyana”) currently holds a 60% interest (Operator).
- c. On March 29, 2019, the Company announced that the Company, Total, Tullow Guyana (together, the “Partners”) had approved the drilling budget for the second well on the Orinduik Block. The net cost to the Company of the second well, named the Joe prospect, was approximately US\$3 million. Prior to the recent discovery, the prospect was estimated to hold 150mmbbl of gross prospective resources with the ‘Chance of Success’ estimated to be 43.2%.
- d. On August 12, 2019, the Company announced a major oil discovery on the Guyana License. The Jethro-1 exploration well was drilled by the Stena Forth drillship to a final depth of 14,331 feet (4,400 meters) in approximately 1,350 meters of water. Evaluation of logging data confirmed that the Jethro-1 was the first discovery on the Guyana License and comprises high-quality oil-bearing sandstone reservoir of Lower Tertiary age. It encountered 180.5 feet (55 meters) of net oil pay in lower Tertiary sandstone reservoirs, which supports recoverable oil resources. The well was cased, and is awaiting further evaluation to determine the appropriate appraisal activity.
- e. On August 27, 2019, the Company announced the commencement of drilling of the Joe prospect (“Joe-1”) the Company's second exploration well on the Orinduik Block. Joe-1 was spud using the Stena Forth drillship, which previously drilled the Jethro-1 discovery.
- f. On September 16, 2019, the Company announced a second oil discovery on the Orinduik Block, offshore Guyana. The Joe-1 exploration well was drilled by the Stena Forth drillship to a final depth of 7,176 feet (2,175 meters) in approximately 2,546 feet (780 meters) of water. Evaluation of MWD, wireline logging and sampling of the oil confirms that Joe-1 is the second discovery on the Orinduik license and comprises oil-bearing sandstone reservoir with a high porosity of Upper Tertiary age. The Joe-1 well encountered 52 feet (16 meters) of continuous thick sandstone, which supports the presence of recoverable oil resources. Additional thinner sands above and below the main pay are being evaluated for possible incremental pay.
- g. The Partners are conducting a detailed evaluation of the Jethro and Joe oil reservoirs on the Orinduik Block. The Company previously released a Competent Persons Report on the block, prior to the discoveries on the Jethro and Joe wells, defining Best Estimate of Gross 3,982 million Barrels of oil equivalent on the Orinduik Block (approximately 600 million barrels net to Eco).

5. Petroleum and Natural Gas Licenses (continued)

- h. Both wells were drilled within budget, with MWD logging tool and conventional wireline, and the reservoirs were considered to be high quality sands with good permeability.

Fluid samples were taken in both of the wells and were sent for analysis by the Operator. The complete fluid analysis has not yet been received however, initial results suggest that the samples recovered to date from Jethro-1 and Joe-1 are mobile heavy crudes, not dissimilar to the commercial heavy crudes in the North Sea, Gulf of Mexico, the Campos Basin in Brazil, Venezuela and Angola, with high sulphur content.

The Partners have sought third party consultant with heavy oil development expertise to answer our technical queries and provide an initial assessment of several potential development drilling and production scenarios. The Jethro-1 discovery has the advantage of 8,500 PSI reservoir (2,600 PSI Overpressure), which increases drive efficiency; high reservoir temperature of 94 degrees Celsius; and an estimated flowing well head temperature of 90 degrees, which both increases oil mobility and provides an advantage at the floating production facility. The Company remains optimistic in considering the development scenarios and as the project progresses will define further information on plans and timing.

- i. As of September 30, 2019, the outstanding Exploration Activities and the aggregate required expenditure as estimated by management based on current costs for the Guyana License for is as follows⁽¹⁾:

Exploration Activities ⁽¹⁾	Expenditure (US\$)	Company's current share of Expenditure ⁽²⁾ (US\$)
By January 2026		
• 2 nd renewal period – Drill one exploration well (contingent)	20,000,000	3,000,000
Total	20,000,000	3,000,000

Notes:

- (1) Exploration Activities are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.
(2) Company's working interest at 15%.

5. Petroleum and Natural Gas Licenses (continued)

(iii) Namibia

Through its subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company currently holds interests in three offshore petroleum licenses in Namibia, being (i) petroleum exploration license number 0030 (the “Cooper License”), (ii) petroleum exploration license number 0033 (the “Sharon License”), and (iii) petroleum exploration license number 0034 (the “Guy License”). Through its subsidiary, PAO Namibia, the Company currently holds an interest in one offshore petroleum license in Namibia, being petroleum exploration license number 0050 (the “Tamar License”).

(iv) The Cooper License

- a. The Cooper License covers approximately 5,000 square kilometers and is located in license area 2012A offshore in the economical waters of Namibia (the “Cooper Block”). The Company holds a 57.5% working interest in the Cooper License, the National Petroleum Corporation of Namibia (“NAMCOR”) holds a 10% working interest and AziNam Ltd (“AziNam”) holds a 32.5% working interest. The Company and AziNam proportionally carry NAMCOR’s working interest during the exploration period.
- b. Pursuant to the Company’s original farmout agreement with Tullow Namibia (the “Tullow Farmout Agreement”), if Tullow Namibia elects to participate in the drilling of an exploration well on the Cooper Block, Tullow will acquire an additional 15% working interest in the Cooper License from Eco and Azinam, will carry (capped at \$18.17 million) the Company’s share of costs to drill the exploration well and will reimburse the Company for 17.14% of its past costs (the “Second Transfer”); such terms were subsequently updated in January 2017.
- c. On February 18, 2019, the Second Renewal Exploration period was extended to March 2021.
- d. As of September 30, 2019, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Cooper License are as follows⁽¹⁾:

Exploration Activities ⁽¹⁾	Expenditure (US\$)	Company’s share of Expenditure (US\$) ⁽²⁾
By March 31, 2021		
• After interpretation of 3D survey, drill exploratory well	35,000,000	23,365,000
• Offtake/production engineering	500,000	319,500
• Complete and interpret an additional 500 square kilometers of 3D seismic survey	1,400,000	894,600
Total	36,900,000	23,579,100

Notes:

- (1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.
- (2) These amounts reflect Tullow Namibia’s decision not to enter into the Second Renewal Period, which increased the Company’s working interest to 57.5%, (63.8%, including the carried portion).

5. Petroleum and Natural Gas Licenses (continued)

(v) The Sharon License

- a. The Sharon License covers 5,000 square kilometers and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the “Sharon Blocks”). The Company holds a 60% working interest in the Sharon License, NAMCOR holds a 10% carried interest (by the Company), and AziNam holds a 30% interest. The Company and AziNam proportionally carry NAMCOR’s working interest during the exploration period.
- b. On February 18, 2019, the Second Renewal Exploration period was extended to March 2021.
- c. As of September 30, 2019, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Sharon License is as follows⁽¹⁾:

Exploration Activities ⁽¹⁾	Expenditure (US\$)	Company’s share of Expenditure (US\$)
By March 31, 2021		
<ul style="list-style-type: none"> • Complete and interpret a 500 square kilometers 3D seismic survey 	1,400,000	933,800
<ul style="list-style-type: none"> • Resource assessment and production assessment has been completed 		
<ul style="list-style-type: none"> • Assuming a target has been defined after interpretation of 3D survey, drill exploratory well 	35,000,000	23,100,000
<ul style="list-style-type: none"> • Offtake/production engineering 	500,000	333,500
<ul style="list-style-type: none"> • Complete and interpret a 500 square kilometers 3D seismic survey 	1,400,000	933,800
Total	38,300,000	25,301,100

Notes:

- (1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

5. Petroleum and Natural Gas Licenses (continued)

(vi) The Guy License

- The Guy License covers 5,000 square kilometers and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the “Guy Block”). The Company holds a 50% working interest in the Guy License, NAMCOR holds a 10% carried interest (by the Company) and AziNam holds a 40% interest. The Company and AziNam proportionally carry NAMCOR’s working interest during the exploration period. As of July 1, 2015, AziNam assumed the role of operator with respect to the Guy License.
- On February 18, 2019, the Second Renewal Exploration period was extended to March 2021.
- As of September 30, 2019, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Guy License is as follows⁽¹⁾:

Exploration Activities ⁽¹⁾	Expenditure (US\$)	Company’s share of Expenditure (US\$)
By March 31, 2021		
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	35,000,000	19,460,000
• Offtake/production engineering	500,000	278,000
• Complete and interpret a 500 square kilometers 3D seismic survey	1,400,000	778,400
Total	36,900,000	20,516,400

Notes:

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document

(vii) The Tamar License

- The Tamar License covers approximately 7,500 square kilometers and is located in license areas 2211B and 2311A offshore in the economical waters of the Republic of Namibia. PAO Namibia holds an 80% working interest in the Tamar License, Spectrum Geo Ltd. holds a 10% working interest, and NAMCOR holds a 10% working interest.
- As of September 30, 2019, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Tamar License is as follows⁽¹⁾:

Exploration Activities ⁽¹⁾	Expenditure (US\$)	Company’s share of Expenditure (US\$)
By October 28, 2021		
• Complete and interpret 250 square kilometers 3D seismic survey	1,040,000	1,040,000
• Evaluation of farm-out and relinquishment of part (original 25%) or all of the Tamar Block		
• Drill exploratory well (subject to identifying a target and the availability of adequate drilling rigs)	35,000,000	35,000,000
Total	36,040,000	36,040,000

Notes:

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Eco (Atlantic) Oil & Gas Ltd.
(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

6. Related Party Transactions and Balances and Director Remuneration

The following are the expenses incurred with related parties for the six months period ended September 30, 2019 and 2018 and the balances owing as of September 30, 2019 and 2018:

(i) As of September 30, 2019:

	Directors Fees	Consulting Fees	Share based awards	Option based awards	Total	Amounts owing at September 30, 2019
Executive Directors						
Gil Holzman - CEO	\$ -	\$ 223,289	\$ 2,205,000	\$ 14,795	\$ 2,443,084	\$ 37,215
Colin Kinley - COO (*)	-	277,357	2,205,000	\$ 14,795	2,497,152	\$ 46,226
Alan Friedman - Executive Vice President	-	30,000	306,250	\$ 14,795	351,045	\$ 5,000
Gadi Levin - Financial Director	-	60,000	490,000	\$ 7,398	557,398	\$ 10,000
Non Executive Directors						
Moshe Peterberg - Chairman of the board	55,822	-	857,500	\$ 14,795	928,117	\$ 27,911
Keith Hill	18,000	-	306,250	\$ 14,795	339,045	\$ 9,000
Peter Nicol	26,064	-	490,000	\$ 14,795	530,859	\$ 13,032
Helmut Angula	15,000	-	245,000	\$ 14,795	274,795	\$ 7,500
Officers						
Alan Rootenberg - CFO	-	7,500	-	-	7,500	-
Total	\$ 114,886	\$ 598,146	\$ 7,105,000	\$ 110,963	\$ 7,928,995	\$ 155,884

(*) Included in Consulting fees to Mr. Kinley is \$119,619 of fees paid for technical services provided by a Company controlled by Mr. Kinley.

(ii) As of September 30, 2018:

	Directors Fees	Consulting Fees	Share based awards	Option based awards	Total	Amounts owing at September 30, 2018
Executive Directors						
Gil Holzman - CEO	\$ -	\$ 216,317	\$ -	\$ -	\$ 216,317	\$ 36,053
Colin Kinley - COO (*)	-	268,696	-	-	268,696	44,783
Alan Friedman - Executive Vice President	-	60,000	-	-	60,000	10,000
Gadi Levin - Financial Director	-	60,000	-	-	60,000	10,000
Non Executive Directors						
Moshe Peterberg - Chairman of the board	54,079	-	-	-	54,079	27,040
Keith Hill	18,000	-	-	-	18,000	9,000
Peter Nicol	27,677	-	-	-	27,677	13,838
Helmut Angula	12,000	-	-	-	12,000	6,000
Officers						
Alan Rootenberg - CFO	-	7,500	-	-	7,500	1,250
Total	\$ 111,756	\$ 612,513	\$ -	\$ -	\$ 724,269	\$ 157,963

(*) Included in Consulting fees to Mr. Kinley is \$116,505 of fees paid for technical services provided by a Company controlled by Mr. Kinley.

Eco (Atlantic) Oil & Gas Ltd.
(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

7. Share Capital

Authorized: Unlimited Common Shares

Issued	Common Shares	Amount \$	Shares to be issued \$	Restricted Share Units Reserve \$
Balance, March 31, 2018	157,494,833	43,813,254	1,139,257	70,393
Shares issued in respect of purchase of minority interest in Eco Guyana	1,700,384	1,139,257	(1,139,257)	-
Exercise of warrants	1,680,313	633,818	-	-
Purchase of non-controlling interest in subsidiary	300,000	249,000	-	-
Issuance of shares from RSU's	3,000,000	4,110,000	-	41,100
Issuance of warrants	200,000	80,669	-	-
Balance, March 31, 2019	164,375,530	50,025,998	-	111,493
Private placement (i)	16,159,695	21,338,853	-	-
Exercise of warrants (ii)	592,498	214,551	-	-
Exercise of stock options (iii)	241,250	75,278	-	-
Issuance of shares from RSU's (iv)	2,900,000	7,105,000	-	245,000
Balance, September 30, 2019	184,268,973	78,759,680	-	356,493

(i) Private Placement

On April 4, 2019, the Company completed a private placement equity financing of 16,159,695 shares of the Company at a price of £0.80 (\$1.45) per share raising gross proceeds of \$22.6 million (net proceeds: \$21.4 million).

(ii) Exercise of warrants

On May 21, 2019, 592,498 warrants were exercised at £0.16 per warrant (\$0.27) into 592,498 shares of the Company for gross consideration of £94,800 (\$161,776). The fair value of the exercised warrants was \$52,775.

(iii) Exercise of options

On May 22, 2019, 241,250 options were exercised at \$0.30 per option into 241,250 shares of the Company for gross consideration of \$72,375. The fair value of the exercised options was \$24,933.

(iv) Issuance of shares from RSU's

On August 23, 2019, 3,000,000 RSUs (1.75% on a fully diluted basis) were granted to certain directors, officers and consultants of the Company as part of the Company's long-term incentive scheme and previous period success in relation with the recent discovery in Guyana. These RSUs vest immediately and had a fair value \$7,350,000 (\$2.45 per unit, being the share price on the date of issuance). On September 9, 2019, the Company issued 2,900,000 shares in respect of these RSU's with a fair value \$7,105,000 (\$2.45 per unit). \$7,350,000 was charged to Share Based Compensation in the Consolidated Statements of Operations and Comprehensive Profit and Loss, \$7,105,000 was credited to Capital in the Consolidated Statement of Changes in Equity and the balance of 100,000 RUS's with a fair value of \$245,000 was credited to Restricted Share Units Reserve in the Consolidated Statement of Changes in Equity.

Eco (Atlantic) Oil & Gas Ltd.
(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

8. Warrants

- (i) A summary of movements in warrants during the nine months ended September 30, 2019 and for the year ended March 31, 2019 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, March 31, 2018	2,272,811	0.29
Exercised	(1,680,313)	0.31
Balance, March 31, 2019	592,498	0.28
Exercised (see Note 7(ii))	(592,498)	0.28
Issuance of warrants (ii)	80,000	2.45
Balance, September 30, 2019	80,000	2.45

- (ii) Issuance of warrants

On August 23, 2019, the Company granted, to a consultant of the Company, warrants to subscribe for up to 80,000 Common Shares at a price of \$2.45 (£1.50) per Common Share (the "Warrants"). The Warrants are exercisable for a period of one year from the date of issue and have a fair value of \$70,280 that was determined using the Black-Scholes option pricing model and the following assumptions: - share price - \$2.45; exercise price - \$2.45; expected life - 1 year; annualized volatility - 91.7%; dividend yield - 0%; risk free rate - 1.6%.

- (iii) As of September, outstanding warrants were as follows:

Number of Warrants	Exercise Price	Exercisable at September 30, 2019	Expiry Date
80,000	\$ 2.45	80,000	August 22, 2020
<u>80,000</u>		<u>80,000</u>	

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

9. Stock Options

The Company maintains a stock option plan (the “Plan”) for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of options issuable under the Plan shall be equal to ten percent (10%) of the outstanding shares of the Company less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement of the Company.

A summary of the status of the Plan as at September 30, 2019 and changes during the year is as follows:

	Number of stock options	Weighted average exercise price \$	Remaining contractual life - years
Balance, March 31, 2018	6,920,000	0.30	3.76
Granted	800,000	1.50	-
Exercised	(200,000)	0.33	-
Balance, March 31, 2019	7,520,000	0.43	3.01
Exercised (see Note 7 (iii))	(241,250)	0.30	-
Balance, September 30, 2019	7,278,750	0.43	2.39

- (i) Share-based compensation expense is recognized over the vesting period of options. During the six months period ended September 30, 2019, share-based compensation in respect of stock options and RSU grants of \$7,468,361 (September 30, 2018 – \$2,973) was recognized based on options and RSU’s vesting during the period.
- (ii) As at September 30, 2019, outstanding options were as follows:

Number of Options	Exercisable	Exercise Price	Expiry Date
350,000	350,000	\$ 0.30	January 11, 2020
208,750	208,750	\$ 0.30	March 23, 2021
4,450,000	4,450,000	\$ 0.30	January 12, 2022
350,000	350,000	\$ 0.30	May 16, 2022
250,000	166,667	\$ 0.36	July 6, 2022
870,000	870,000	\$ 0.30	December 24, 2022
800,000	266,667	\$ 1.50	March 1, 2024
<u>7,278,750</u>	<u>6,662,083</u>		

10. Asset Retirement Obligations (“ARO”)

The Company is legally required to restore its properties to their original condition. Estimated future site restoration costs will be based upon engineering estimates of the anticipated method and the extent of site restoration required in accordance with current legislation and industry practices in the various locations in which the Company has properties.

As of September 30, 2019 and 2018, the Company did not operate any properties, accordingly, no ARO was required.

11. Capital Management

The Company considers its capital structure to consist of share capital, deficit and reserves. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of its licenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is an exploration stage entity; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months period ended September 30, 2019. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

12. Risk Management

a) Credit risk

The Company's credit risk is primarily attributable to short-term investments and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of deposits with Schedule 1 banks, from which management believes the risk of loss to be remote. Amounts receivable consist of advances to suppliers and harmonized sales tax due from the Federal Government of Canada. Government receivable consists of value added tax due from the Namibian government which has been collected subsequent to year end. Management believes that the credit risk concentration with respect to amounts receivable is remote. The Company does not hold any non-bank asset backed commercial paper.

b) Interest rate risk

The Company has cash balances, cash on deposit, and no interest-bearing debt. It does not have a material exposure to this risk.

c) Liquidity risk

The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation.

As at September 30, 2019, the Company had cash and cash equivalents and cash on deposit of \$30,654,374 (March 31, 2019 - \$25,007,479), short-term investments of \$74,818 (March 31, 2019 - \$74,818), accounts receivable and prepaid expenses of \$50,338 (March 31, 2019 - \$80,926) and government receivable of \$42,612 (March 31, 2019 - \$33,104) to settle current liabilities of \$2,476,661 (March 31, 2019 - \$1,551,188).

The Company utilizes authorization for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources. Accounts payable and accrued liabilities at September 30, 2019 all have contractual maturities of less than 90 days and are subject to normal trade terms.

The Company is dependent on obtaining financing to complete the development of its assets, and upon future profitable operations from the licenses or profitable proceeds from their disposition.

The Company has commitments related to its petroleum and natural gas licenses as described in Note 5.

Eco (Atlantic) Oil & Gas Ltd.
(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six months ended September 30, 2019

12. Risk Management (continued)

d) Foreign currency risk

The Company is exposed to foreign currency fluctuations on its operations in Namibia, which are denominated in Namibian dollars. Sensitivity to a plus or minus 10% change in rates would not have a significant effect on the net income (loss) of the Company, given the Company's minimal assets and liabilities designated in Namibian dollars as at September 30, 2019.

13. Commitments

Licenses

The Company is committed to meeting all of the conditions of its licenses including annual lease renewal or extension fees as needed.

The Company has previously submitted work plans for the development of the Guyana License and Namibian License - see Note 5 for details.

14. Operating Costs

Operating costs consist of the following:

	Three months ended		Six months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Drilling costs, data acquisition and interpretation and technical consulting	\$ 7,106,581	\$ 1,297,988	\$ 15,114,316	\$ 1,738,543
Exploration license fees	-	2,833	310,704	179,918
Travel	(88,677)	30,218	85,624	56,431
Recovered under Joint Operating Agreements	(166,100)	(37,144)	(400,709)	(212,497)
	\$ 6,851,804	\$ 1,293,895	\$ 15,109,935	\$ 1,762,395

15. General and Administrative Costs

General and administrative costs consist of the following:

	Three months ended		Six months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Occupancy and office expenses	\$ 56,830	\$ 7,586	\$ 80,530	\$ 26,467
Travel expenses	271,458	83,177	346,215	208,615
Public company costs	85,588	236,323	531,314	378,917
Insurance	65,401	15,013	68,731	33,985
Financial services	4,619	3,117	9,679	7,263
Recovered under Joint Operating Agreements	(10,473)	(4,867)	(35,881)	(23,179)
	\$ 473,423	\$ 340,349	\$ 1,000,588	\$ 632,068

16. Subsequent Events

On October 24, 2019, the Company issued 178,750 common shares, in respect of 178,750 options that were exercised at \$0.30 per option. Gross consideration received amounted to \$53,625.