



Eco (Atlantic) Oil & Gas Ltd.
Condensed Consolidated Interim Financial Statements
For the Three and Six Month Period ended September 30, 2021

Expressed in US Dollars

(Unaudited)

NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Eco (Atlantic) Oil & Gas Ltd. for the three and six month period ended September 30, 2021 and 2020 have been prepared by management in accordance with International Financial Reporting Standards applicable to condensed consolidated interim financial statements. 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 condensed consolidated 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.

Eco (Atlantic) Oil & Gas Ltd.
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September 30, 2021 and 2020

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Eco (Atlantic) Oil & Gas Ltd.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in US Dollars)

	September 30, 2021	March 31, 2021
	Unaudited	Audited
Assets		
Current assets		
Cash and cash equivalents	\$ 6,221,320	\$ 11,807,309
Short-term investments (Note 4)	52,618	1,552,640
Government receivable	13,945	22,697
Amounts owing by license partners, net	343,568	193,655
Accounts receivable and prepaid expenses (Note 5)	54,210	46,480
	6,685,661	13,622,781
Investment in associate (Note 6)	10,000,000	-
Petroleum and natural gas licenses (Note 7)	1,072,260	1,072,260
Renewable energy licenses (Note 8)	1,380,290	1,411,186
Right of use assets (Note 9)	325,267	332,495
Security deposit (Note 10)	482,891	490,455
Total Assets	\$ 19,946,369	\$ 16,929,177
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	\$ 603,394	\$ 501,022
Advances from and amounts owing to license partners, net	-	97,153
Short-term portion of lease liability (Note 11)	22,987	22,987
Total current liabilities	626,381	621,162
Warrant liability (Note 15)	2,284,339	-
Lease liability (Note 11)	332,687	325,917
Total liabilities	3,243,407	947,079
Equity		
Share capital (Note 13)	61,070,124	59,099,725
Restricted Share Units reserve	267,669	267,669
Stock options (Note 14)	2,660,684	2,675,724
Foreign currency translation reserve	(1,206,332)	(1,198,097)
Non-controlling interest	-	(48,674)
Accumulated deficit	(46,089,183)	(44,814,249)
Total Equity	16,702,962	15,982,098
Total Liabilities and Equity	\$ 19,946,369	\$ 16,929,177

Basis of Preparation (Note 2)

Commitments (Notes 18)

Approved by the Board of Directors of the Company (“Board”)

“Gil Holzman”
Director

“Gadi Levin”
Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Condensed Consolidated Interim Statements of Operations and
Comprehensive Loss
(Expressed in US Dollars)

	Three months ended		Six months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
	Unaudited		Unaudited	
Revenue				
Interest income	\$ 3,911	\$ 7,247	\$ 8,435	\$ 35,656
	3,911	7,247	8,435	35,656
Operating expenses:				
Compensation costs	338,089	141,322	584,267	313,626
Professional fees	352,342	87,799	423,023	120,414
Operating costs (Note 19)	38,195	330,738	479,792	850,415
General and administrative costs (Note 20)	200,960	142,267	309,357	229,270
Share-based compensation (Note 14)	5,888	42,177	11,710	54,820
Interest expense (Note 11)	7,109	-	10,513	-
Fair value change in warrant liability (Note 15)	(637,189)	-	(637,189)	-
Foreign exchange gain (loss)	99,153	(45,298)	53,222	(36,265)
Total operating expenses	404,547	699,005	1,234,695	1,532,280
Net loss for the period	\$ (400,636)	\$ (691,758)	\$ (1,226,260)	\$ (1,496,624)
Foreign currency translation adjustment	(21,484)	(124,801)	(8,235)	(87,942)
Comprehensive loss for the period	\$ (422,120)	\$ (816,559)	\$ (1,234,495)	\$ (1,584,566)
Net loss for the period attributed to:				
Equity holders of the parent	\$ (421,643)	\$ (691,758)	\$ (1,226,260)	\$ (1,496,624)
Non-controlling interests	21,007	-	-	-
	\$ (400,636)	\$ (691,758)	\$ (1,226,260)	\$ (1,496,624)
Basic and diluted net loss per share attributable to equity holders of the parent	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	198,403,885	184,697,723	191,550,804	184,697,723

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in US Dollars)

	Number of Shares	Capital	Restricted Share Units	Warrant Reserve	Stock Options	Deficit	Currency Translation Reserve	Non- controlling Interest	Total Equity
Balance, March 31, 2020	184,697,723	\$ 59,099,725	\$ 267,669	\$ 53,026	\$ 2,542,824	\$ (41,247,569)	\$ (1,117,859)	\$ -	\$ 19,597,816
Stock options expensed (Note 14(i))	-	-	-	-	54,820	-	-	-	54,820
FCTR Foreign currency translation	-	-	-	-	-	-	(87,942)	-	(87,942)
Net loss for the period	-	-	-	-	-	(1,496,624)	-	-	(1,496,624)
Balance, September 30, 2020	184,697,723	\$ 59,099,725	\$ 267,669	\$ 53,026	\$ 2,597,644	\$ (42,744,193)	\$ (1,205,801)	\$ -	\$ 18,068,070
Balance, March 31, 2021	184,697,723	\$ 59,099,725	\$ 267,669	\$ -	\$ 2,675,724	\$ (44,814,249)	\$ (1,198,097)	\$ (48,674)	\$ 15,982,098
Issuance of shares (net of issuance costs) (Note 13(i))	14,945,913	4,793,789	-	-	-	-	-	-	4,793,789
Stock options exercised (Note 13(ii))	250,000	98,138	-	-	(26,750)	-	-	-	71,388
Purchase of non-controlling interest (Note 8)	-	-	-	-	-	(48,674)	-	48,674	-
Warrant valuation (Note 15)	-	(2,921,528)	-	-	-	-	-	-	(2,921,528)
Stock options expensed (Note 14(i))	-	-	-	-	11,710	-	-	-	11,710
FCTR Foreign currency translation	-	-	-	-	-	-	(8,235)	-	(8,235)
Net loss for the period	-	-	-	-	-	(1,226,260)	-	-	(1,226,260)
Balance, September 30, 2021	199,893,636	\$ 61,070,124	\$ 267,669	\$ -	\$ 2,660,684	\$ (46,089,183)	\$ (1,206,332)	\$ -	\$ 16,702,962

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in US Dollars)

	Six months ended	
	September 30,	
	2021	2020
	Unaudited	
Cash flow from operating activities		
Net loss from operations	\$ (1,226,260)	\$ (1,496,624)
Items not affecting cash:		
Share-based compensation	11,710	54,820
Depreciation and amortization	38,124	-
Accrued interest	6,770	-
Revaluation of warrant liability	(637,189)	-
Changes in non-cash working capital:		
Government receivable	8,752	535
Accounts payable and accrued liabilities	102,372	(219,050)
Accounts receivable and prepaid expenses	(7,730)	(88,992)
Advance from and amounts owing to license partners	(247,066)	339,469
	(1,950,517)	(1,409,842)
Cash flow from investing activities		
Investment in associate	(10,000,000)	-
Short-term investments	1,500,022	-
	(8,499,978)	-
Cash flow from financing activities		
Issuance of shares	4,793,789	-
Exercise of stock options	71,388	-
	4,865,177	-
Decrease in cash and cash equivalents	(5,585,318)	(1,409,842)
Foreign exchange differences	(671)	(64,178)
Cash and cash equivalents, beginning of period	11,807,309	18,667,016
Cash and cash equivalents, end of period	\$ 6,221,320	\$ 17,192,996

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Eco (Atlantic) Oil & Gas Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2021 and 2020

(Expressed in US Dollars)

1. Nature of Operations

The Company's business focuses on high growth, high impact energy projects - primarily through identifying, acquiring, and exploring oil and gas assets, and more recently, through the development of renewable energy projects. The Company's key oil and gas assets include an interest in the Orinduik License (as defined below) offshore the Co-Operative Republic of Guyana ("Guyana"), four licenses offshore the Republic of Namibia ("Namibia") and an indirect ownership of an interest in the Canje Block through a 6.4% investment in a privately owned company. The head office of the Company is located at 7 Coulson Avenue, Toronto, ON, Canada, M4V 1A3.

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 25, 2021.

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 ("Interpretations Committee"). 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, 2021.

Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2021 could result in restatement of these condensed consolidated interim financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2021 and 2020
(Expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries, as follows:

Subsidiary	Proportionate Ownership
Eco (Barbados) Oil & Gas Holdings Ltd. ("EBARB")	100%
Eco Guyana Oil & Gas (Barbados) Ltd	100%
Eco (Atlantic) Guyana Inc. ("Eco Guyana")	100%
Eco (Atlantic) Guyana Offshore Inc.	100%
Eco Namibia Oil & Gas (Barbados) Ltd. ("ENBARB")	100%
Eco Oil and Gas (Namibia) (Pty) Ltd. ("EOGN")	100%
Eco Oil and Gas Services (Pty) Ltd. ("EOGS")	100%
Eco Atlantic Holdings Ltd.	100%
Pan African Oil Namibia Holdings (Pty) Ltd. ("PAONH")	100%
Pan African Oil Namibia (Pty) Ltd. ("PAON")	100%
Solear Ltd. (formerly Eco (BVI) Oil and Gas Ltd) ("Solear")	100%
AA Energy Factory Ltd ("AA Energy")	100%
AFOI IOAKEIMIDI IKE ("Liversol")	100%
Scrantix Ltd ("Scrantix")	100%
XIOAKEIMIDIS-K.XATZI Ltd ("Ponsol")	100%

Significant accounting judgments and estimates

The preparation of the unaudited condensed consolidated interim financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, the reported amounts of revenues and expenses and to exercise judgment in the process of applying the accounting policies.

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.

ii) Stock Based Compensation

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing warrants and stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense. The recognized costs are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

Eco (Atlantic) Oil & Gas Ltd.
Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2021 and 2020
(Expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

Significant accounting judgments and estimates (continued)

iii) Income Taxes

At the end of each reporting period, the Company assesses whether the realization of deferred tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgment on the part of management with respect to, among other things, benefits that could be realized from available income tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available income tax strategies are lowered, or if changes in current income tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize deferred tax benefits.

The Company's effective income tax rate can vary significantly quarter-to-quarter for various reasons, including the mix and volume of business in lower income tax jurisdictions and in jurisdictions for which no deferred income tax assets have been recognized because management believed it was not probable that future taxable profit would be available against which income tax losses and deductible temporary differences could be utilized. The Company's effective income tax rate can also vary due to the impact of foreign exchange fluctuations.

iv) Intangible assets

Intangible assets are tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangibles with definite lives is reviewed each reporting period to determine whether there is any indication of impairment. If there are indications of impairment the impairment analysis is completed and if the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and impairment loss is recognized.

4. Short-term investments

As of September 30, 2021, the Company's short-term investments comprise interest bearing deposits with its primary bank of \$52,618 (March 31, 2021 - \$1,552,640).

5. Accounts receivable and prepaid expenses

Accounts receivable balances are reviewed for impairment on a case-by-case basis and are provided for based on the deterioration of credit risk since initial recognition, at which time a provision is recognized in the consolidated statements of operations and comprehensive profit and loss. If the credit risk has not increased significantly, allowances are based on 12 month expected losses. If the credit risk has increased significantly and if the loan receivable is impaired, the allowance is based on lifetime expected losses.

6. Investment in associate

On June 28, 2021, the Company purchased 5,000,000 common shares in JHI Associates Inc. ("JHI") at a price of \$2.00 per share (the "JHI Transaction"), a private company incorporated in Ontario and headquartered in Toronto, Canada. JHI also issued 9,155,471 warrants which have an exercise price of \$2.00 per share and expiry eighteen months after the date of issuance. On a non-diluted basis the Company holds approximately 6.4% of JHI's share capital, and 10% on a fully diluted basis if the warrants are exercised in full. The Company has accounted for the investment under the cost method.

Eco (Atlantic) Oil & Gas Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

7. Petroleum and Natural Gas Licenses (continued)

The petroleum and natural gas interests of the Company are located offshore in both Guyana and Namibia.

Guyana

The Orinduik 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 (“Orinduik License”) and is located in close proximity to the ExxonMobil’s 21 oil discoveries which is estimated by ExxonMobil to contain approximately 10 billion recoverable barrels of oil (BOE).

In accordance with the Guyana Petroleum Agreement, Eco Guyana holds a 15% working interest in the Orinduik License, TotalEnergies E&P Activities Petrolieres (“Total”) and TOQAP Guyana B.V. hold a 25% working interest and Tullow Guyana B.V. (“Tullow Guyana”) currently holds a 60% interest (Operator) (together, the “Partners”).

On August 12, 2019, the Company announced a major oil discovery on the Orinduik 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 Orinduik 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.

On September 16, 2019, the Company announced a second oil discovery on the Orinduik License. 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.

On February 3, 2020, the Company announced the filing of a National Instrument 51-101 compliant Competent Persons Report on the resources on the Orinduik Block, offshore Guyana, which found: (i) a significant increase in Gross Prospective Resources to 5,141 MMBOE (771 MMBOE net to Eco), (ii) 22 identified prospects on Orinduik Block including 11 leads in the Upper Cretaceous horizon, (iii) that a majority of the project leads have over a 30% or better chance of success (COS), enhanced by the recent discovery of light oil on the Kanuku block to the south of Orinduik, and (iv) leads in the Tertiary aged section estimated to contain 1,204 MMBOE, and within the Cretaceous section are estimated to contain approximately 3,936 MMBOE.

The Partners are currently further defining the Orinduik geological modeling, prospects maturation and upgrading of the drilling targets inventory in an ongoing process. The intent is to provide further definition to the Cretaceous targets’ selection for drilling in the next drilling campaign.

Namibia

The Company holds four offshore petroleum licenses in the Republic of Namibia being petroleum exploration license number 0030 (the “Cooper License”), petroleum exploration license number 0033 (the “Sharon License”), petroleum exploration license number 0034 (the “Guy License”) and petroleum exploration license number 0050 (the “Tamar License”), (together the “Namibia Licenses”)

Eco (Atlantic) Oil & Gas Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

7. Petroleum and Natural Gas Licenses (continued)

Nambia (continued)

The Cooper License

The Cooper License covers approximately 5,788 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, AziNam Ltd (“AziNam”) holds a 30.7% working interest, and Tangi Trading Enterprise cc holds a 5% working interest (“Tangi”). The Company and AziNam proportionally carry NAMCOR and Tangi’s working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Cooper License received final governmental approval.

The Sharon License

The Sharon License covers approximately 5,700 square kilometers and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the “Sharon Block”). The Company holds a 56.7% working interest in the Sharon License, NAMCOR holds a 10% working interest, AziNam holds a 28.3% working interest and Titan Oil and Gas (Pty) Ltd holds a 5% working interest (“Titan”). The Company and AziNam proportionally carry NAMCOR and Titan’s working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

The Guy License

The Guy License covers 11,457 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 47.2% working interest in the Guy License, NAMCOR holds a 10% working interest, AziNam holds a 37.8% working interest and Lotus Explorations (Pty) Ltd holds a 5% working interest (“Lotus”). The Company and AziNam proportionally carry NAMCOR and Lotus’ working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

The Tamar License

The Tamar License covers approximately 5,648 square kilometers and is located in license areas 2211B and 2311A offshore in the economical waters of Namibia (the “Tamar Block”). The Company holds an 85% working interest in the Tamar Block, NAMCOR holds a 10% working interest and Moonshade Investment (Pty) Ltd holds a 5% working interest (“Moonshade”). The Company and AziNam proportionally carry NAMCOR and Moonshade’s working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

Eco (Atlantic) Oil & Gas Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

8. Renewable Energy Licenses

On January 26, 2021, the Company announced the formation of a new company to source, acquire and develop an exclusive pipeline of potential high yield solar energy projects. To give effect to the new venture, the Company's existing subsidiary Eco (BVI) Oil and Gas Ltd, was renamed Solear in which the Company originally owned 70% of the outstanding shares and Nepcoe Capital Partners ("Nepcoe") owned the remaining 30% of the outstanding shares. Solear completed its first acquisition of a fully contracted, permitted, and build ready project in Greece, known as the Kozani Project.

Effective August 1, 2021, Nepcoe agreed to a restructuring of the shareholdings of Solear such that the Company is now the holder of 100% of Solear.

In January 2021, the Company, through two of its subsidiaries, AA Energy and Scrantix, acquired 100% of the shares of AFOI IOAKEIMIDI IKE ("Liversol") and XIOAKEIMIDIS-K.XATZI Ltd ("Ponsol"), both of which have fully licensed, permitted, ready-to-build solar energy projects in Kozani, Greece (the "Kozani SPAs") with a combined 10.6 megawatt capacity (the "Kozani Project").

Pursuant to the Kozani SPAs, the Company paid the vendors \$1,318,931.

In accordance with IFRS, the Transaction does not meet the definition of a business combination as Liversol and Ponsol have not yet commenced commercial operations and are in the development stage. Consequently, the transaction has been recorded as an asset acquisition. The purchase price allocation for this acquisition is shown below:

Purchase Price Consideration	Liversol	Ponsol	Total
Fair value of shares purchased	\$ 833,817	\$ 485,114	\$ 1,318,931
Fair Value of Purchase Price Consideration	833,817	485,114	1,318,931
Net Assets Acquired			
Right of Use assets	232,859	113,770	346,629
Lease liability	(232,859)	(113,770)	(346,629)
Amounts receivable	23,311	45,561	68,872
Amounts payable	(57,944)	(113,253)	(171,197)
Renewable Energy Licenses	868,450	552,806	1,421,256
Total Net Assets Acquired	\$ 833,817	\$ 485,114	\$ 1,318,931

The renewable energy licenses acquired through Liversol and Ponsol are being amortized over 23 years.

The following tables summarize the movement in Renewable Energy Licenses during the year ended March 31, 2021 and the six month period ended September 30, 2021:

Costs			Accumulated Amortization			Net Book Value
Balance, March 31, 2021						
April 1, 2020	Additions	March 31, 2021	April 1, 2020	Amortization during the year	March 31, 2021	March 31, 2021
\$ -	\$ 1,421,256	\$ 1,421,256	\$ -	\$ 10,070	\$ 10,070	\$ 1,411,186
Balance, September 30, 2021						
March 31, 2021	Additions	September 30, 2021	March 31, 2021	Amortization during the year	September 30, 2021	September 30, 2021
\$ 1,421,256	\$ -	\$ 1,421,256	\$ 10,070	\$ 30,896	\$ 40,966	\$ 1,380,290

Eco (Atlantic) Oil & Gas Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

9. Right of use assets

	<u>Kozani land lease</u>	<u>Total</u>
Balance - March 31, 2020	\$ -	\$ -
Acquisition of right of use asset	346,629	346,629
Depreciation during the year	<u>(14,134)</u>	<u>(14,134)</u>
Balance - March 31, 2021	\$ 332,495	\$ 332,495
Depreciation during the period	<u>(7,228)</u>	<u>(7,228)</u>
Balance - September 30, 2021	<u>\$ 325,267</u>	<u>\$ 325,267</u>

10. Security Deposit

On January 8, 2021, the Company advanced €416,228 as collateral in respect of the Kozani Project grid connection which will be released and returned to the Company once the solar plants are either constructed or sold. There was no change in the amounts held as collateral during the six months ended September 30, 2021. The balance of the security deposit as of September 30, 2021 is \$482,891 (March 31, 2021 – \$490,455).

11. Lease Liabilities

	<u>Kozani land lease liability</u>	<u>Total</u>
Balance - March 31, 2020	\$ -	\$ -
Acquisition of lease liability	346,629	346,629
Interest expenses	<u>2,275</u>	<u>2,275</u>
Balance - March 31, 2021	\$ 348,904	\$ 348,904
Interest expenses	<u>6,770</u>	<u>6,770</u>
Balance - September 30, 2021	<u>\$ 355,674</u>	<u>\$ 355,674</u>
Short-term lease liability	\$ 22,987	\$ 22,987
Long-term lease liability	<u>332,687</u>	<u>332,687</u>
Total	<u>\$ 355,674</u>	<u>\$ 355,674</u>

The Company has 16 leases with combined annual lease payments of €19,075 per year, paid in advance, for 23 years. The payments are discounted using a rate of 4%. Upon commencement of construction on one of the properties, the lease rate will be double the base rate for the remainder of the lease term. This will be accounted for prospectively when the rate change is triggered.

Eco (Atlantic) Oil & Gas Ltd.
Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2021 and 2020
(Expressed in US Dollars)

12. Related Party Transactions and Balances and Director Remuneration

The following are the expenses incurred with related parties for the six month periods ended September 30, 2021 and 2020 and the balances owing as of September 30, 2021 and 2020:

September 30, 2021:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at September 30, 2021
Executive Directors						
Gil Holzman - CEO	\$ -	\$ 202,359	\$ -	\$ -	\$ 202,359	33,726
Colin Kinley - COO (*)	-	189,950	-	-	189,950	31,658
Alan Friedman - Executive Vice President	-	20,491	-	-	20,491	3,415
Gadi Levin - Financial Director	-	47,250	-	-	47,250	7,875
Non Executive Directors						
Moshe Peterberg - Chairman of the board	61,200	-	-	-	61,200	10,200
Keith Hill	12,210	-	-	-	12,210	2,035
Peter Nicol	18,659	-	-	-	18,659	3,110
Helmut Angula	10,175	-	-	-	10,175	1,696
Officers						
Alan Rootenberg - CFO	-	5,700	-	-	5,700	950
Total	\$ 102,244	\$ 465,750	\$ -	\$ -	\$ 567,994	\$ 94,666

(*) Included in Consulting fees to Mr. Kinley is \$90,000 in fees paid for technical services provided by Kinley Exploration LLC, a Company controlled by Mr. Kinley.

September 30, 2020:

	Directors Fees	Consulting Fees	Stock based awards(**)	Option based awards(**)	Total	Amounts owing at September 30, 2020
Executive Directors						
Gil Holzman - CEO	\$ -	\$ 142,800	\$ -	\$ -	\$ 142,800	\$ 23,800
Colin Kinley - COO (*)	-	219,300	-	-	219,300	36,550
Alan Friedman - Executive Vice President	-	18,816	-	-	18,816	3,136
Gadi Levin - Financial Director	-	45,049	-	-	45,049	7,508
Non Executive Directors						
Moshe Peterberg - Chairman of the board	61,200	-	-	-	61,200	30,600
Keith Hill	11,349	-	-	-	11,349	5,674
Peter Nicol	17,122	-	-	-	17,122	8,561
Helmut Angula	9,457	-	-	-	9,457	4,729
Officers						
Alan Rootenberg - CFO	-	5,646	-	-	5,646	-
Total	\$ 99,128	\$ 431,612	\$ -	\$ -	\$ 530,740	\$ 120,558

(*) Included in Consulting fees to Mr. Kinley is \$90,000 in fees paid for technical services provided by Kinley Exploration LLC, a Company controlled by Mr. Kinley.

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13. Share Capital

- (i) The authorized share capital consists of an unlimited number of common shares with no par value.
- (ii) On July 19, 2021, the Company closed a private placement financing of 14,945,913 units ("Units") for gross proceeds of \$4,802,989. Each unit consist of one common share and one common share purchase warrant exercisable at CAD\$0.47 for a period of two years (note 15). As a result of the financing, Africa Oil Corp's interest in the Company is 19.99%.

In connection with the offering the Company incurred issuance costs of \$23,844, of which \$9,200 was allocated to the common shares and \$14,284 was allocated to the warrants. The amounts allocated to the warrants are recorded in the unaudited condensed interim statement of operations and comprehensive loss.

- (iii) On September 6, 2021, 250,000 options with an exercise price of CAD\$0.365 per option were exercised into 250,000 shares. The options had a fair value of \$26,750 at the time of issuance.

14. 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, 2021 and changes during the period is as follows:

	Number of Stock options	Weighted average exercise price (US\$)	Remaining contractual life - years
Balance, March 31, 2020 and September 30, 2020	7,220,000	0.38	1.90
Balance, March 31, 2021	7,220,000	0.38	1.22
Exercised (note 13(iii))	(250,000)	0.29	-
Balance, September 30, 2021	6,970,000	0.38	0.82

- (i) Stock-based compensation expense is recognized over the vesting period of the options. During the three and six month period ended September 30, 2021, stock-based compensation expense resulting from the vesting of stock options amounted to \$5,888 and \$11,710, respectively (three and six months period ended September 30, 2020 – \$42,177 and \$54,820, respectively).

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14. Stock Options (continued)

(ii) As at September 30, 2021, outstanding options were as follows:

Number of options	Exercisable	Exercise Price	Exercise Price (USD)(*)	Expiry Date
4,450,000	4,450,000	C\$0.30	\$0.24	January 12, 2022
350,000	350,000	C\$0.30	\$0.24	May 16, 2022
870,000	870,000	C\$0.30	\$0.24	December 24, 2022
800,000	800,000	C\$1.50	\$1.18	March 1, 2024
200,000	133,333	C\$1.20	\$0.94	January 10, 2025
100,000	100,000	£\$0.50	\$0.39	July 9, 2025
200,000	200,000	£\$0.80	\$0.63	July 9, 2022
6,970,000	6,903,333			

(*) based on the exchange rate as of September 30, 2021

15. Warrants

A summary of the warrant activity during the six month period ended September 30, 2021 and 2020 is as follows:

	Number of warrants	Weighted average exercise price (US\$)
Balance, March 31, 2020 and September 30, 2020	-	-
Balance, March 31, 2021	-	-
Issued (i)	14,945,913	0.37
Balance, September 30, 2021	14,945,913	0.37

(i) On July 19, 2021, the Company issued 14,945,913 warrants in connection with the private placement financing (note 13). The warrants have an exercise price denominated in a different currency (Canadian dollars) than the functional currency of the Company. At the time of the grant, these warrants were recorded at their fair value as a derivative liability and were revalued at September 30, 2021. During the three and six month period ended September 30, 2021, the Company recorded a loss on the revaluation of the total warrant liability of \$637,189 in the unaudited interim consolidated statements of operations and comprehensive loss.

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15. Warrants (continued)

- (ii) The following assumptions were used to determine the fair value as at September 30, 2021, and upon initial recognition:

	As at September 30, 2021	As at Initial recognition
Number of warrants	14,945,913	14,945,913
Share price	C\$0.47	C\$0.45
Expected life (years)	1.80	2
Dividend volatility	0.53%	0.48%
Risk free rate	81%	106%
Exchange rate (USD/CAD)	1.2741	1.2477
Fair value	\$2,284,339	\$2,921,528

16. 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.

During the year ended March 31, 2020 two wells were drilled, plugged, and abandoned by the operator in accordance with international standards and the Petroleum Regulations and the Government of Guyana, so there is no further liability after the drilling program was completed.

As of September 30, 2021 and 2020, the Company did not operate any properties, accordingly, no ARO was required.

17. Capital and Risk Management

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 month period ended September 30, 2021. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

17. Capital and Risk Management (continued)

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, 2021, the Company had cash and cash equivalents and of \$6,221,320 (March 31, 2021 - \$11,807,309), short-term investments of \$52,618 (March 31, 2021 - \$1,552,640), accounts receivable and prepaid expenses of \$54,210 (March 31, 2021 - \$46,480), advances from license partners of \$343,568 (March 31, 2021 - \$193,655), and government receivable of \$13,945 (March 31, 2021 - \$22,697) to settle current liabilities of \$626,381 (March 31, 2021 - \$621,162).

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, 2021 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 development, and upon future profitable operations from the licenses or profitable proceeds from their disposition.

d) Foreign currency risk

In previous years, foreign exchange risk arose because most of the Company's costs were in currencies other than the Canadian dollar (then the functional currency). As a result of the change of the functional currency of most of its operations to the US dollar, the Company has significantly reduced its foreign exchange risk. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

Sensitivity to a plus or minus 10% change in currency exchange rates would not have a significant effect on the net income (loss) of the Company.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

17. Capital and Risk Management (continued)

Risk Management (continued)

e) Environmental Risk (COVID-19)

Since January 2020, the Coronavirus outbreak has dramatically expanded into a worldwide pandemic creating macro-economic uncertainty and disruption in the business and financial markets. Many countries around the world, have been taking measures designated to limit the continued spread of the Coronavirus, including the closure of workplaces, restricting travel, prohibiting assembling, closing international borders and quarantining populated areas. To date there have been minimal disruptions to the Company's operations. Despite reduced travel, the Company has been able to maintain communications and on-going operations with its partners and regulatory bodies, however, such measures present concerns that may dramatically affect the Company's ability to conduct its business effectively, including, but not limited to, adverse effect relating to negotiations and discussions with regulators, site visits, slowdown and stoppage of work, travel and other activities which are essential and critical for maintaining on-going business activities. Given the uncertainty around the extent and timing of the future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, the Company cannot reasonably estimate the impact to its future results of operations, cash flows or financial condition; infections may become more widespread and the limitation on the ability to work and travel, as well as any closures or supply disruptions, may be extended for longer periods of time and to other locations, all of which would have a negative impact on the Company's business, financial condition and operating results. In addition, the unknown scale and duration of these developments have macro and micro negative effects on the financial markets, oil prices and the global economy which could result in an economic downturn that could have a material adverse effect on its operations and financial results, earnings, cash flow and financial condition. To mitigate some of these risks, the Company has taken steps to reduce its cash burn by reducing compensation to officers, directors and consultants.

18. Commitments

Licenses

The Company is committed to meeting all of the conditions of its licenses including annual lease renewals, regulatory payments and social responsibility initiatives or extension fees as needed, which the Company estimates to be approximately \$600,000 per year.

The Company, together with its partners on each license, submit annual work plans for the development of each license, which are approved by the relevant regulator.

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19. Operating Costs

Operating costs consist of the following:

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
Drilling costs, data acquisition and interpretation and technical consulting	\$ 106,825	\$ 322,859	\$ 498,654	\$ 819,136
Exploration license fees	1,381	74,480	1,381	166,020
Solar energy project costs	34,287	-	73,850	-
Amortization of intangible assets	15,449	-	30,896	-
Depreciation	3,506	-	7,228	-
Travel	9,000	1,103	30,794	32,098
Recovered under Joint Operating Agreements	(132,253)	(67,704)	(163,011)	(166,839)
	\$ 38,195	\$ 330,738	\$ 479,792	\$ 850,415

20. General and Administrative Costs

General and administrative costs consist of the following:

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
Occupancy and office expenses	\$ 5,051	\$ 5,477	\$ 7,700	\$ 7,854
Social corporate responsibility	-	46,261	-	46,261
Travel expenses	13,964	736	28,996	27,608
Public company costs	149,435	81,540	236,642	145,775
Insurance	42,871	17,306	48,685	19,622
Financial services	4,826	2,336	7,964	4,176
Recovered under Joint Operating Agreements	(15,187)	(11,389)	(20,630)	(22,026)
	\$ 200,960	\$ 142,267	\$ 309,357	\$ 229,270

Eco (Atlantic) Oil & Gas Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Three and Six Months Ended September 30, 2021 and 2020 (Expressed in US Dollars)

21. Operating segments

The Company and its subsidiaries are engaged in the following two segments:

- i) Oil and gas exploration
- ii) Renewable energy – solar projects

The Corporate Office does not represent an operating segment and is included for informational purposes only. Corporate Office expenses consist of public company costs, office, and administrative costs, as well as salaries, share-based compensation and other expenses pertaining to corporate activities.

	Six months ended September 30, 2021			
	O&G Exploration	Renewables	Corporate	Total
Interest earned	\$ -	\$ -	\$ 8,435	\$ 8,435
Operating expenses	(405,942)	(56,099)	-	(462,041)
Other expenses	-	(492,914)	(279,740)	(772,654)
Segmental loss	\$ (405,942)	\$ (549,013)	\$ (271,305)	\$ (1,226,260)

	Six months ended September 30, 2020			
	O&G Exploration	Renewables	Corporate	Total
Interest earned	\$ -	\$ -	\$ 35,656	\$ 35,656
Operating expenses	(850,415)	-	-	(850,415)
Other expenses	-	-	(681,865)	(681,865)
Segmental loss	\$ (850,415)	\$ -	\$ (646,209)	\$ (1,496,624)

	As of September 30, 2021			
	O&G Exploration	Renewables	Corporate	Total
Segment assets	\$ 1,723,858	\$ 2,343,116	\$ 15,879,395	\$ 19,946,369
Segment liabilities	\$ -	\$ 512,294	\$ 2,731,113	\$ 3,243,407

	As of March 31, 2021			
	O&G Exploration	Renewables	Corporate	Total
Segment assets	\$ 1,604,841	\$ 2,584,891	\$ 12,739,445	\$ 16,929,177
Segment liabilities	\$ 97,153	\$ 348,904	\$ 501,022	\$ 947,079