

**ECO (ATLANTIC) OIL AND GAS LTD.**  
**(“Eco Atlantic” or the “Company”)**

**STATEMENT OF OIL AND GAS RESERVES DATA AND OTHER OIL AND GAS  
INFORMATION**

**Date of Oil and Gas Information**

The date of this statement of reserve data and other oil and gas information (the “**Statement**”) is July 29, 2021. The effective date of the information provided in this Statement is March 31, 2021 (the “**Effective Date**”). The preparation date of the information provided in this Statement is July 29, 2021 (the “**Preparation Date**”). Unless otherwise stated, the information provided in this Statement is current as of the Effective Date.

**Forward Looking Information**

Statements contained herein that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of petroleum and/or natural gas; capital expenditures; costs, timing and future plans concerning the development of petroleum and/or natural gas properties; permitting time lines; currency fluctuations; requirements for additional capital; government regulation of petroleum and natural gas matters; environmental risks; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to operations; termination or amendment of existing contracts; actual results of drilling activities; results of reclamation activities, if any; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of petroleum and natural gas; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the petroleum and natural gas industries; delays in obtaining or failure to obtain any governmental approvals, licenses or financing or in the completion of development activities. Although the Company has attempted to identify important factors that may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the Preparation Date and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.

**Disclosure of Reserves Data**

At March 31, 2021, the Company had no reserves and no future net revenue.

## **Oil and Gas Properties**

Eco (Atlantic) Guyana Inc. (“**Eco Guyana**”), the Company’s wholly owned subsidiary, currently holds a 15% interest in the Orinduik offshore petroleum license in Guyana (the “**Guyana License**”). The terms of the Guyana License are governed by a petroleum agreement (the “**Guyana Petroleum Agreement**”) between the Company and the Government of Guyana and Tullow Oil (“**Tullow**”).

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**”). The terms of the Cooper License, Sharon License and Guy License are governed by petroleum agreements (each, an “**Eco Namibia Petroleum Agreement**” and collectively, the “**Eco Namibia Petroleum Agreements**”) between the Company and Namibia’s Ministry of Mines and Energy (the “**Ministry**”).

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**”). The terms of the Tamar License are governed by a petroleum agreement (the “**Tamar Petroleum Agreement**”) between PAO Namibia and the Ministry.

### **Guyana**

#### ***Orinduik Block***

The Guyana license is located in the Orinduik Block, offshore Guyana. The Orinduik Block is situated in shallow to deep water (70m-1,400m), 170kms offshore Guyana in the Suriname Guyana basin (“Guyana License”) and is located in close proximity to the ExxonMobil led consortiums’ 20 oil discoveries which is estimated by ExxonMobil to contain approximately 9 billion recoverable BOE.

In accordance with the Guyana Petroleum Agreement and following TotalEnergies E&P Activitiés Pétrolières’ (“Total”) exercise of their Total Option (as defined below), Eco (Atlantic) Guyana Inc. (“Eco Guyana”) holds a 15% working interest in the Guyana license, TotalEnergies held a 25% working interest and Tullow Guyana holds a 60% interest (Operator) (together the “Partners”).

On September 11, 2018, the Company announced the filing of a Competent Persons Report (“Report”) with 2.9 BBOE prospective resource P50 Best Estimate. On March 18, 2019, the Company announced an update to the Report pursuant to which the potential resource on the Orinduik Block, offshore Guyana, was increased to 3.981 BBOE prospective resource P50 Best Estimate, subsequently updated in February 2020.

On December 5, 2018, the Company announced its 2019 drilling program for the Orinduik Block, offshore Guyana. The net cost of the first well, named the Jethro-Lobe prospect, which is located 170 kilometres offshore in the Suriname Guyana basin, was US\$7.6 million, the prospect, which was drilled from a conventional drill ship, is a lower tertiary stratigraphically trapped canyon turbidite in about 1,350 meters of water. The prospect, at that time, was estimated to hold 216 mmbbl of gross prospective resources with the ‘Chance of Success’ estimated to be 43.2%.

On February 20, 2019, the Company announced that, along with its Partners in the Orinduik Block, it contracted a rig, the Stena Forth, a ninth-generation drillship from Stena, to drill the Jethro-Lobe prospect on the Orinduik Block offshore Guyana.

On March 29, 2019, the Company announced that the Company and 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%.

On July 5, 2019, the Company announced the spudding of the Jethro-Lobe well.

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 is the first discovery on the Guyana License and comprises 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 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.

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.

On November 13, 2019, the Company announced that 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. 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 provide further information on plans and timing.

On December 9, 2019, the Partners elected to enter the next exploration phase (the "First Renewal Period") of the Orinduik Petroleum Agreement signed on January 14, 2016 and have submitted their official notice to the Department of Energy of the Government of Guyana.

The entering into of the First Renewal Period, which commenced from January 14, 2020, will see the Partners maintain control of the licence for a further three years, through to January 13, 2023, and until the second renewal exploration period which will last until 2026.

On February 3, 2020, the Company announced the filing of a National Instrument 51-101 compliant resource report on the Orinduik Block, offshore Guyana:

- Significant increase in Gross Prospective Resources to 5,141 MMBOE (771 MMBOE net to Eco) from previous estimate of Gross Prospective Resources of 3,981 MMBOE in March 2019.
- 22 prospects identified on Orinduik Block including 11 leads in the Upper Cretaceous horizon.
- 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.
- 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.
- Two targets in the Cretaceous horizon (Amaila/Kumaka and Iatuk-D) are identified as having in excess of 725 MMBOE each.

On March 15, 2021, the Department of Energy of the Government of Guyana provided final approval for the transfer of the TotalEnergies E&P Guyana B.V. 25% working interest in the Orinduik Petroleum Agreement to a new company jointly owned by TotalEnergies E&P Guyana B.V. (60%) and Qatar Petroleum (40%), namely TOQAP Guyana B.V. (“TOQAP”). Accordingly, the JV Partners now comprise Eco Atlantic (15% WI), Tullow Guyana B.V. (Operator, 60% WI) and TOQAP (25% WI). The Partners are currently further defining the Orinduik geological modeling, prospects maturation and upgrading of the drilling targets inventory selection in an ongoing process. The Partners are also reviewing and incorporating the latest Kanuku Block Carapa-1 light oil discovery and additional regional exploration information into the models. The intent is to provide further definition to the Cretaceous interpretation and targets’ selection for drilling in the next drilling campaign.

As of the date hereof, the remaining Exploration activities and the aggregate expenditure of such activities as estimated by management based on current costs for the Guyana License is as follows<sup>(1)</sup>:

Exploration Activities	Expenditure US\$	Company’s share of Expenditure US\$
By June 2026		
• 2nd renewal period – Drill one further exploration well (contingent)	\$ 20,000,000	\$ 3,000,000
<b>Total</b>	<b>\$ 20,000,000</b>	<b>\$ 3,000,000</b>

Note: (1) Drilling Exploration activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant drilling exploration activity was to be undertaken as at the date of this document.

## JHI ASSOCIATES INC.

### *Canje Block*

JHI, a private company, holds a 17.5% Working Interest in the 4,800km<sup>2</sup> Canje Exploration Block offshore Guyana. The Canje Block is operated by ExxonMobil and is held by Working Interests partners Esso Exploration & Production Guyana Limited (35%), with TotalEnergies E&P Guyana B.V. (35%), JHI Associates (BVI) Inc. (17.5%) and Mid-Atlantic Oil & Gas Inc. (12.5%).

JHI is a Guyana pure-play deepwater exploration company founded in 2011. In 2014, JHI teamed up with Guyana-based Mid-Atlantic Oil & Gas Inc. (“MOGI”) which was awarded the Canje Block in 2015. In 2016, ExxonMobil joined the Canje Block as Operator, and in 2018 TotalEnergies farmed into the Block. Five years of extensive technical and seismic data analysis led to the Canje partners identifying multiple drillable prospects and successfully applying for a multi-well drilling permit. The 2021 multi-well exploration program on the Canje Block seeks to test the extension of the prolific hydrocarbon system which has resulted in over 9 billion barrels of oil equivalent of recoverable resources being discovered in the adjacent Stabroek Block since 2015.

On March 4, 2021, it was announced by Westmount Energy Limited that the first well on the Canje Block, Bulletwood-1, was safely drilled in 2,846 meters of water by the Stena Carron drillship to its planned target depth of 6,690 meters. The well encountered quality reservoirs but non-commercial hydrocarbons. Data collection at Bulletwood-1 confirms the presence of the Guyana-Suriname Basin petroleum system and the potential prospectivity of the Canje Block.

As announced on June 28, 2021, Eco acquired a 6.4% interest in JHI Associates Inc. with the option to increase its stake to 10% on a fully diluted basis.

On July 5, 2021, it was announced that the second well on the Canje Block, Jabillo-1, was safely drilled in 2,903 meters of water by the Stena DrillMax drillship to its planned target depth of 6,475 meters. This well tested Upper Cretaceous reservoirs in a stratigraphic trap, reached planned target depth and was evaluated but did not show evidence of commercial hydrocarbons. This well was drilled at no cost to JHI or Eco and was completed on a full carry basis.

The Stena DrillMax drillship is currently operating in the ExxonMobil Operated Stabroek Block and is expected to move on to drill the Sapote-1 well, in the eastern portion of the Canje Block. The Sapote-1 Well is expected to be spud in Q3 2021 with an estimated drilling time of up to 60 days.

Namibia

*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 (“Tangi”) holds a 5% working interest. The Company and AziNam proportionally carry NAMCOR and Tangi’s working interest during the exploration period.

The Company owns a 1,100 square kilometers 3D seismic survey processed and interpreted with a drilling prospect (“Osprey”) defined.

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

As of the date hereof, the Exploration Activities, and the aggregate expenditure as estimated by management based on current costs for the Cooper License is as follows<sup>(1)</sup>:

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company’s share of expenditure
Phase I	<b>WELL TARGETING</b> <ul style="list-style-type: none"> <li>• 3D Interpretation, Final Processing</li> <li>• Comparison to Learnings From wells Drilled</li> <li>• Faulting Analysis, Source Rock Interpretation</li> <li>• Reprocessing, if required, Target Definition</li> </ul>	Year 1 & 2	\$ 550,000	\$ 351,000
Phase II	<b>WELL PLANNING</b> <ul style="list-style-type: none"> <li>• Final Location Investigation, Survey, if required</li> <li>• Well Engineering Design, Well Planning and Well Engineering</li> </ul>	Year 3	\$ 1,200,000	\$ 767,000
Phase III	<b>DRILLING EXPLORATORY WELL</b> <ul style="list-style-type: none"> <li>• Completion of Contracts, Completion of Engineering</li> <li>• Final Drilling Permits, Drilling of Exploratory Well</li> </ul>	Year 4	\$ 50,000,000	\$ 31,941,000
	<b>FIRST RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase IV	<b>RESOURCE AND PRODUCTION ASSESSMENT</b> <ul style="list-style-type: none"> <li>• Based on successful well, Company will complete resource and production assessment and consider offset well</li> </ul>	Year 5	\$ 450,000	\$ 287,000

	<ul style="list-style-type: none"> <li>• (If exploration well is unsuccessful evaluate new 3D survey)</li> </ul>			
Phase V	<b>OFFTAKE PRODUCTION ENGINEERING PLANNING</b> <ul style="list-style-type: none"> <li>• Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well</li> <li>• (If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 Km<sup>2</sup> 3D Survey, Estimate \$8/mm)</li> </ul>	Year 6	\$ 600,000	\$ 383,000
	<b>SECOND RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase VI	<b>DRILLING ASSESSMENT WELL</b> <ul style="list-style-type: none"> <li>• Based on Successful Well, Complete Planning for Assessment Well</li> <li>• Evaluate Offtake Plans Based on 2<sup>nd</sup> Well Success</li> <li>• Drill Assessment Well, Begin Offtake Engineering and Design</li> </ul>	Year 7 & 8	\$ 45,000,000	\$28,747,000

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.

*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.

The Company owns 3,000 kilometer 2D seismic survey for the Sharon Block.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Sharon License is as follows<sup>(1)</sup>:

Period	Minimum Exploration Work Program -	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	<b>SEISMIC PLANNING AND 2D SEISMIC PROGRAM</b> <ul style="list-style-type: none"> <li>• Existing 2D Interpretation</li> <li>• Seismic Planning and Complete 2D Seismic Program 1000 km</li> <li>• Processing, Interpretation</li> <li>• Comparison to Learnings other programs and wells Drilled</li> <li>• Faulting Analysis, Source Rock Interpretation</li> </ul>	Year 1 & 2	\$ 1,000,000	\$ 667,000
Phase II	<b>3D SEISMIC PLANNING AND PROGRAM CONTRACTING</b> <ul style="list-style-type: none"> <li>• 3D Contracting, Planning, Permitting, Operations 1000 km Regional Interpretation</li> </ul>	Year 3	\$ 6,200,000	\$ 4,136,000
Phase III	<b>3D PROCESSING AND INTERPRETATION</b> <ul style="list-style-type: none"> <li>• Completion of Processing</li> <li>• Interpretation and analysis</li> <li>• Well Target Selection</li> <li>• Drilling Permits</li> <li>• Drilling Contractor</li> </ul>	Year 4	\$ 1,500,000	\$ 1,001,000
	<b>FIRST RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase IV	<b>DRILLING EXPLORATORY WELL</b> <ul style="list-style-type: none"> <li>• Completion of Contracts, Completion of Engineering</li> <li>• Final Drilling Permits, Drilling of Exploratory Well</li> </ul> <b>RESOURCE AND PRODUCTION ASSESSMENT</b> <ul style="list-style-type: none"> <li>• Based on successful well, Company will complete resource and production assessment and consider offset well</li> <li>• <i>(If exploration well is unsuccessful evaluate new 3D survey)</i></li> </ul>	Year 5	\$ 40,000,000	\$ 26,682,000

Period	Minimum Exploration Work Program -	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase V	<b>OFFTAKE PRODUCTION ENGINEERING PLANNING</b> <ul style="list-style-type: none"> <li>Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well</li> <li><i>(If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 Km<sup>2</sup> 3D Survey, Estimate \$8mm)</i></li> </ul>	Year 6	\$ 600,000	\$ 400,000
	<b>SECOND RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase VI	<b>DRILLING ASSESSMENT WELL</b> <ul style="list-style-type: none"> <li>Based on Successful Well, Complete Planning for Assessment Well</li> <li>Evaluate Offtake Plans Based on 2<sup>nd</sup> Well Success</li> <li>Drill Assessment Well, Begin Offtake Engineering and Design</li> </ul>	Year 7 & 8	\$ 40,000,000	\$ 26,682,000

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.

*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.

The Company owns 1,000 kilometer 2D seismic survey and 870 square kilometer 3D seismic survey on the Guy Block.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Guy License is as follows: <sup>(1)</sup>

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	<b>SEISMIC PLANNING AND 2D SEISMIC PROGRAM</b> <ul style="list-style-type: none"> <li>• Existing 2D and 3D Interpretation</li> <li>• Seismic Planning and Complete 2D Seismic Program 1000 km</li> <li>• Processing, Interpretation</li> <li>• Comparison to Learnings other programs and wells Drilled</li> <li>• Faulting Analysis, Source Rock Interpretation</li> </ul>	Year 1 & 2	\$ 1,250,000	\$ 694,000
Phase II	<b>3D SEISMIC PLANNING AND PROGRAM CONTRACTING</b> <ul style="list-style-type: none"> <li>• 3D Contracting, Planning, Permitting, Operations 1000 km Regional Interpretation</li> </ul>	Year 3	\$ 6,400,000	\$ 3,555,000
Phase III	<b>3D PROCESSING AND INTERPRETATION</b> <ul style="list-style-type: none"> <li>• Completion of Processing</li> <li>• Interpretation and analysis</li> <li>• Well Target Selection</li> <li>• Drilling Permits</li> <li>• Drilling Contractor</li> </ul>	Year 4	\$ 1,500,000	\$ 833,000
	<b>FIRST RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase IV	<b>DRILLING EXPLORATORY WELL</b> <ul style="list-style-type: none"> <li>• Completion of Contracts, Completion of Engineering</li> <li>• Final Drilling Permits, Drilling of Exploratory Well</li> </ul> <b>RESOURCE AND PRODUCTION ASSESSMENT</b> <ul style="list-style-type: none"> <li>• Based on successful well, Company will complete resource and production assessment and consider offset well</li> <li>• <i>(If exploration well is unsuccessful evaluate new 3D survey)</i></li> </ul>	Year 5	\$ 50,000,000	\$ 27,765,000

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase V	<b>OFFTAKE PRODUCTION ENGINEERING PLANNING</b> <ul style="list-style-type: none"> <li>Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well</li> <li><i>(If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 Km<sup>2</sup> 3D Survey, Estimate \$8mm)</i></li> </ul>	Year 6	\$ 600,000	\$ 333,000
	<b>SECOND RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase VI	<b>DRILLING ASSESSMENT WELL</b> <ul style="list-style-type: none"> <li>Based on Successful Well, Complete Planning for Assessment Well</li> <li>Evaluate Offtake Plans Based on 2nd Well Success</li> <li>Drill Assessment Well, Begin Offtake Engineering and Design</li> </ul>	Year 7 & 8	\$ 50,000,000	\$ 27,765,000

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.

*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 Moonshades' working interest during the exploration period.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Tamar License is as follows: <sup>(1)</sup>

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	<b>SEISMIC PLANNING AND 2D SEISMIC PROGRAM</b> <ul style="list-style-type: none"> <li>• Existing 2D Interpretation</li> <li>• Seismic Planning and Complete 2D Seismic Program</li> <li>• Processing, Interpretation</li> <li>• Comparison to Learnings other programs and wells Drilled</li> <li>• Faulting Analysis, Source Rock Interpretation</li> </ul>	Year 1 & 2	\$ 1,250,000	\$ 1,250,000
Phase II	<b>3D SEISMIC PLANNING AND PROGRAM CONTRACTING</b> <ul style="list-style-type: none"> <li>• 3D Contracting, Planning, Permitting Regional Interpretation</li> </ul>	Year 3	\$ 6,400,000	\$ 6,400,000
Phase III	<b>3D PROCESSING AND INTERPRETATION</b> <ul style="list-style-type: none"> <li>• Completion of Processing</li> <li>• Interpretation and analysis</li> <li>• Well Target Selection</li> <li>• Drilling Permits</li> <li>• Drilling Contractor</li> </ul>	Year 4	\$ 1,500,000	\$ 1,500,000
	<b>FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) (Optional 1-year extension)</b>			
Phase IV	<b>DRILLING EXPLORATORY WELL</b> <ul style="list-style-type: none"> <li>• Completion of Contracts, Completion of Engineering</li> <li>• Final Drilling Permits, Drilling of Exploratory Well</li> </ul> <b>RESOURCE AND PRODUCTION ASSESSMENT</b> <ul style="list-style-type: none"> <li>• Based on successful well, Company will complete resource and production assessment and consider offset well</li> <li>• (If exploration well is unsuccessful evaluate new 3D survey)</li> </ul>	Year 5	\$ 40,000,000	\$ 40,000,000

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase V	<b>OFFTAKE PRODUCTION ENGINEERING PLANNING</b> <ul style="list-style-type: none"> <li>Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well</li> <li><i>(If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 Km<sup>2</sup> 3D Survey, Estimate \$8mm)</i></li> </ul>	Year 6	\$ 600,000	\$ 600,000
	<b>SECOND RENEWAL EXPLORATION PERIOD (2 YEARS)</b> <i>(Optional 1-year extension)</i>			
Phase VI	<b>DRILLING ASSESSMENT WELL</b> <ul style="list-style-type: none"> <li>Based on Successful Well, Complete Planning for Assessment Well</li> <li>Evaluate Offtake Plans Based on 2<sup>nd</sup> Well Success</li> <li>Drill Assessment Well, Begin Offtake Engineering and Design</li> </ul>	Year 7 & 8	\$ 40,000,000	\$ 40,000,000

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.

## **Significant Factors or Uncertainties**

The Company is an early-stage oil and gas exploration company without any revenues, and there can be no assurance of its ability to develop and operate its projects profitably. The Company has historically depended entirely upon capital infusion from the issuance of equity securities to provide the cash needed to fund its operations, but the Company cannot assure its shareholders that it will be able to continue to do so. The Company's ability to continue in business depends upon its continued ability to obtain significant financing from external sources and the success of its exploration efforts and any production efforts resulting therefrom. Any reduction in its ability to raise equity capital in the future would force the Company to reallocate funds from other planned uses and could have a significant negative effect on its business plans and operations, including its ability to continue its current exploration activities.

The Company's activities in Africa and South America may be adversely affected by legal, political and economic uncertainties, including interference with private contract rights (such as nationalization), extreme fluctuations in currency exchange rates, high rates of inflation, exchange controls, changes in tax rates and other laws or policies affecting environmental issues (including land use and water use), workplace safety, foreign investment, foreign trade, investment or taxation, as well as restrictions imposed on the oil and gas industry, such as restrictions on production, price controls and export controls. Political and economic instability could result in new governments or the adoption of new policies, laws or regulations that might assume a substantially more hostile attitude toward foreign investment, including imposing additional taxes. In an extreme case, such a change could result in termination of contract rights and expropriation of foreign-owned assets. Any changes in oil and gas or investment regulations and policies or a shift in political attitudes in the jurisdictions in which the Company will operate will be beyond the Company's control and may significantly hamper the ability to expand operations or operate the business at a profit. Examples of such changes are changes in laws in the jurisdiction in which the Company will operate with the effect of favouring local enterprises, changes in political views regarding the exploitation of natural resources and economic pressures that may make it more difficult to negotiate agreements on favourable terms, obtain required licenses, comply with regulations or effectively adapt to adverse economic changes, such as increased taxes, higher costs, inflationary pressure and currency fluctuations.

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, including Canada and the United States 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. 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 employees' welfare, slowdown and stoppage of manufacturing, commerce, shipping, delivery, 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, travel and timely sell and distribute products, 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 and global economy which could result in an economic downturn that could affect demand for the Company's products and have a material adverse effect on its operations and financial results, earnings, cash flow and financial condition.

Additional information can be found in the Company’s “Annual Information Form” dated July 10, 2020, filed under the Company’s profile at Sedar.com.

### **Forward Contracts**

There are no forward contracts in place.

### **Tax Horizon**

No revenue producing projects have been identified and completed at this time, and accordingly no taxes are anticipated in the short term pending completion of further exploration work.

### **Summary of Costs Incurred**

Costs incurred by the Company on its properties during the year ended March 31, 2021 are summarised as follows:

	<b>Namibia</b>	<b>Guyana</b>	<b>Total</b>
	<b>(USD)</b>	<b>(USD)</b>	<b>(USD)</b>
<b>Property acquisition costs</b>	-	-	-
<b>Exploration costs</b>	1,081,000	646,000	<b>1,727,000</b>
<b>Development costs</b>	-	-	-

### **Exploration and Development Activities**

During the year ended March 31, 2021 the Company has been reprocessing 3D data and identifying additional targets to drill on the Guyana block.

Details of current exploration activities and plans on the exploration assets held by the Company are set out above under the section *Oil and Gas Properties*.