

**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, 2022. The effective date of the information provided in this Statement is March 31, 2022 (the “**Effective Date**”). The preparation date of the information provided in this Statement is July 29, 2022 (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, 2022, 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**”).

The Company holds, through Azinam Limited and Azinam South Africa Limited, two wholly owned subsidiaries of the Company, two offshore petroleum licenses in South Africa being petroleum exploration license number 2B (the “**2B Block**”), petroleum exploration license number 3B/4B (the “**3B/4B Block**”) (together the “South African Licenses”).

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 Orinduik Block governed by the Orinduik License is located offshore Guyana. The 1,800km<sup>2</sup> Orinduik Block is situated in shallow to deep water (70m-1,400m), 170 km offshore Guyana in the Suriname Guyana basin and is located in close proximity to the ExxonMobil led consortiums’ 25 oil discoveries which is estimated by ExxonMobil to contain approximately 11 billion recoverable BOE.

In accordance with the Orinduik License and following TotalEnergies E&P Activitiés Pétrolières’ (“**TotalEnergies**”) exercise of their Total Option (as defined below), Eco (Atlantic) Guyana Inc. (“**Eco Guyana**”) holds a 15% WI in the Guyana License, TotalEnergies held a 25% WI (now held by TOQAP Guyana B.V.) 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 km 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 1,350m 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 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 is the first discovery on the Orinduik 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.

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.

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. Samples recovered from Jethro-1 and Joe-1 were 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.

On December 9, 2019, the Partners elected to enter the next exploration phase (the “**First Renewal Period**”) of the Orinduik License 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 showing 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.

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% WI in the Orinduik License to a new company jointly owned by TotalEnergies E&P Guyana B.V. (60%) and Qatar Energy (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 JV Partners are currently further defining the Orinduik geological modeling, 3D reprocessing, prospects maturation and upgrading of the drilling targets inventory selection in an ongoing process.

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 Orinduik License is as follows<sup>(1)</sup>:

Exploration Activities	Expenditure US\$	Company's share of Expenditure US\$
By January 2026		
• 2nd renewal period – Drill one further exploration well (contingent)	\$ 30,000,000	\$ 4,500,000
<b>Total</b>	<b>\$ 30,000,000</b>	<b>\$ 4,500,000</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% WI in the 4,800 km<sup>2</sup> Canje Exploration Block offshore Guyana. The Canje Block is operated by ExxonMobil and is held by WI 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 identification of multiple drillable prospects and successfully applying for a multi-well drilling permit. The 2021 multi-well exploration program on the Canje Block sought to test the extension of the prolific hydrocarbon system which has resulted in over 10 billion barrels of oil equivalent of recoverable resources being discovered in the adjacent Stabroek Block since 2015.

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 January 19, 2022, the Company announced that it has increased its interest in JHI, through the acquisition from an arm’s length third party of an additional 800,000 Shares in the capital of JHI, to 7.35% in consideration for the issuance to the arm’s length party of 1,200,000 new Shares in Eco.

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.

On August 31, 2021, the Company announced that ExxonMobil has spud the Sapote-1 in the Canje Block offshore Guyana. The Sapote-1 well was drilled to test Upper Cretaceous reservoirs in a stratigraphic trap. The well was drilled approximately 255 km northeast of Georgetown, in 2,550 meters of water, and was being drilled with the Stena DrillMax drillship. The Sapote prospect lies approximately 100 km southeast of the Jabillo location and approximately 50 km north of the Haimara discovery in the Stabroek Block and approximately 60 km northwest of the Maka Central discovery in Block 58.

On November 1, 2021 the Company announced that it had received an update from JHI that ExxonMobil has successfully and safely drilled the Sapote-1 well on the Canje Block, to a depth of 6,759 meters (22,172 ft), in 2,549 meters (8,362 ft) of water. The well recorded hydrocarbon shows while drilling, and in the logging sequence, in a deeper interval than anticipated, but had no shows in the upper primary objective horizon. With sidewall coring and wireline logging complete, ExxonMobil will now work to define the reservoir properties, including porosity and permeability, and the cored samples will be analysed for hydrocarbons.

### **South Africa**

The Company holds two offshore petroleum licenses South Africa being petroleum exploration license number 2B (the “2B Block”), petroleum exploration license number 3B/4B (the “3B/4B Block”), (together the “South African Licenses”).

#### *Block 2B*

Azinam South Africa Limited (“**Azinam SA**”), a wholly owned subsidiary of the Company, owns 50% WI of Block 2B, located in the Orange Basin and covers 3,062 km<sup>2</sup> off the west coast of South Africa 300 km north of Cape Town with water depths ranging from 50 to 200 meters. Oil was discovered and tested on the block by Soekor in the A-J1 borehole drilled in 1988. Thick reservoir sandstones were intersected between 2,985 meters and 3,350 meters. The well was tested and flowed 191 barrels of oil per day of 36-degree API oil from a 10 meter sandstone interval at about 3,250 meters. The 686 km 2013 3D seismic data confirmed the up-dip prospectivity of the A-J1 discovery and significant further prospectivity up to a total of 1 billion barrels of oil on the Block 2B license area.

Under the terms of the Azinam SA’s farmout agreement with Africa Energy Corp., Azinam SA has acquired a 50.0% participating interest in Block 2B and become the Operator of Block 2B on behalf of the joint venture partners. Africa Energy Corp. will retain a 27.5% participating interest in the block. Simultaneously, Panoro 2B Limited, a subsidiary of Panoro Energy ASA has become a 12.5% participating interest holder on the license. Crown Energy AB indirectly holds the remaining 10% participating interest. Eco as the Operator is planning to spud an exploration well (Gazania 1) on the block in Q3 2022.

As of the date hereof, the Company and its partners on the block are committed to drill a exploratory well by November 2022. The well is estimated to cost \$34 million and under the terms of the FOA Eco will fund 75% of the well costs (approximately \$25.5 million). The Company has already spent \$3.5 million as of June 30, 2022.

#### *Block 3B/4B*

Azinam Limited, a wholly owned subsidiary of the Company, owns a 20% WI of Block 3B/4B, located between 120-250 kms offshore western South Africa, directly south of the prolific multibillion barrels discoveries offshore Namibia announced in April 2022 by Shell (Graff-1) and TotalEnergies (Venus-1), and covers an area of 17,581 km<sup>2</sup> and lies in water depths ranging from 300-2500m. The 3B/4B license was previously held by BHP Billiton who acquired a 10,000 km<sup>2</sup> GeoStreamer 3D survey in 2012, which Azinam plans to reprocess. During the same year, Shell acquired a further 8,000 km<sup>2</sup> of 3D to the north of the 3B/4B, which is on strike with the BHP survey. 1,400 km of multi vintage 2D seismic data also spans the license.

As of March 31, 2022, Azinam has a 20% participating interest in Block 3B/4B. Africa Oil has a 20% WI and is the Operator and Ricocure (Proprietary) Limited (“Ricocure”) has a 60% WI. Under the terms of the agreement between the parties, Azinam Limited and Africa Oil will carry Ricocure’s 60% WI until the parties on the block commit to the first exploration well, such that the Company currently funds 50% of the costs incurred.

Historically, a considerable number of wells (32) were drilled in the shallow water western margin of South Africa, to the east of 3B/4B. These wells were predominantly targeting the Mid-Cretaceous Aptian source play. Most of these wells encountered gas or gas shows due to the considerable depth of burial of the Aptian

source. Oil was found along the margin, within the AJ-1 well, but this oil was typed to a syn-rift lacustrine source unit, and its extent is believed to be localised. Encouragingly, further offshore, in the area surrounding 3B/4B, overburden thicknesses decrease and the more laterally extensive Aptian source is prognosed to be oil prone. This has resulted in a considerable resurgence of industry interest by major players such as Shell, Kosmos, Total and Anadarko.

Substantial quantities of Late Cretaceous sands, sourced by the Orange River, have been encountered in wells offshore South Africa and are a major focus for reservoir investigation. Seismic has allowed these deposits to be identified and indicates significant reservoir potential to be present in the form of turbidites and reworked sands. These can often be trapped within rollover and toe-thrust structures. Carbonate deposits, associated with outer-highs, have also been encountered and are becoming more of a focus for upcoming exploration.

Wolf, formerly Aardwolf, is one of the key prospects on block 3B/4B. It comprises a significant 110 km<sup>2</sup> four-way structural closure of a Barremian/Aptian aged carbonate build-up. The Moosehead-1 well, drilled by HRT in the Namibian part of the Orange Basin, demonstrated the potential for this Lower Cretaceous carbonate play by penetrating 100m of Barremian limestone deposited above the marginal ridge. In addition to Aardwolf, significant prospects also exist through all stratigraphic levels, from the Barremian to the Maastrichtian, with both structural and stratigraphic trapping types being considered.

As of the date hereof, the partners on the block will not conduct any field activity during 2022, as all obligations will have been met with the completion of the 3D processing which is 95% complete and expected to be fully completed by the end of July 2022.

## NAMIBIA

### *Cooper License*

The Cooper License covers approximately 5,788 km<sup>2</sup> and is located in Block 2012A offshore in the economical waters of Namibia (the “**Cooper Block**”). The Company holds a 85% WI in the Cooper License, the National Petroleum Corporation of Namibia (“**NAMCOR**”) holds a 10% WI, and Tangi Trading Enterprise cc (“**Tangi**”) holds a 5% WI. The Company proportionally carry NAMCOR and Tangi’s WI during the exploration period.

The Company owns a 1,100 km<sup>2</sup> 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	<p>WELL TARGETING</p> <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	\$ 467,500
Phase II	<p>WELL PLANNING</p> <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	\$ 1,020,000
Phase III	<p>DRILLING EXPLORATORY WELL</p> <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	\$ 42,500,000
	<p>FIRST RENEWAL EXPLORATION PERIOD (2 YEARS)</p> <p><i>(Optional 1-year extension)</i></p>			
Phase IV	<p>RESOURCE AND PRODUCTION ASSESSMENT</p> <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	\$ 450,000	\$ 382,500

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 \$8/mm)</i></li> </ul>	Year 6	\$ 600,000	\$ 510,000
	<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	\$38,250,000

**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 km<sup>2</sup> and is located in Block 2213 offshore in the economical waters of Namibia (the “**Sharon Block**”). The Company holds a 85% WI in the Sharon License, NAMCOR holds a 10% WI and Titan Oil and Gas (Pty) Ltd holds a 5% WI (“**Titan**”). The Company proportionally carry NAMCOR and Titan’s WI during the exploration period.

The Company owns 3,000 km 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	\$ 850,000

Period	Minimum Exploration Work Program -	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase II	3D SEISMIC PLANNING AND PROGRAM CONTRACTING <ul style="list-style-type: none"> <li>• 3D Contracting, Planning, Permitting, Operations</li> <li>• 1000 km Regional Interpretation</li> </ul>	Year 3	\$ 6,200,000	\$ 5,270,000
Phase III	3D PROCESSING AND INTERPRETATION <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	\$ 1,275,000
	FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) <i>(Optional 1-year extension)</i>			
Phase IV	DRILLING EXPLORATORY WELL <ul style="list-style-type: none"> <li>• Completion of Contracts, Completion of Engineering</li> <li>• Final Drilling Permits, Drilling of Exploratory Well</li> </ul> RESOURCE AND PRODUCTION ASSESSMENT <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	\$ 34,000,000
Phase V	OFFTAKE PRODUCTION ENGINEERING PLANNING <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	\$ 510,000
	SECOND RENEWAL EXPLORATION PERIOD (2 YEARS) <i>(Optional 1-year extension)</i>			
Phase VI	DRILLING ASSESSMENT WELL <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	\$ 34,000,000

**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.

*Guy License*

The Guy License covers 11,457 km<sup>2</sup> and is located in Block 2111B and 2211A offshore in the economical waters of Namibia (the “**Guy Block**”). The Company holds a 85% WI in the Guy License, NAMCOR holds a 10% WI and Lotus Explorations (Pty) Ltd holds a 5% WI (“**Lotus**”). The Company proportionally carry NAMCOR and Lotus’ WI during the exploration period.

The Company owns 1,000 km 2D seismic survey and 870 km<sup>2</sup> 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>

<b>Period</b>	<b>Minimum Exploration Work Program</b>	<b>Year</b>	<b>Minimum Estimated Expenditure</b>	<b>Company’s share of expenditure</b>
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	\$ 1,062,500
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	\$ 5,440,000
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	\$ 1,275,000
	<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	\$ 42,500,000

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase V	<p>OFFTAKE PRODUCTION ENGINEERING PLANNING</p> <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	\$ 510,000
	<p>SECOND RENEWAL EXPLORATION PERIOD (2 YEARS) <i>(Optional 1-year extension)</i></p>			
Phase VI	<p>DRILLING ASSESSMENT WELL</p> <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	\$ 42,500,000

**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 5,649 km<sup>2</sup> and is located in Block 2211B and 2311A offshore in the economical waters of Namibia (the “**Tamar Block**”). The Company holds an 85% WI in the Tamar Block, NAMCOR holds a 10% WI and Moonshade Investment (Pty) Ltd (“**Moonshade**”) holds a 5% WI. The Company proportionally carry NAMCOR and Moonshades’ WI 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>

<b>Period</b>	<b>Minimum Exploration Work Program</b>	<b>Year</b>	<b>Minimum Estimated Expenditure</b>	<b>Company’s share of expenditure</b>
Phase I	SEISMIC PLANNING AND 2D SEISMIC PROGRAM <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	3D SEISMIC PLANNING AND PROGRAM CONTRACTING <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	3D PROCESSING AND INTERPRETATION <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
	FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) ( <i>Optional 1-year extension</i> )			
Phase IV	DRILLING EXPLORATORY WELL <ul style="list-style-type: none"> <li>Completion of Contracts, Completion of Engineering</li> <li>Final Drilling Permits, Drilling of Exploratory Well</li> </ul> RESOURCE AND PRODUCTION ASSESSMENT <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	\$ 40,000,000

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase V	<p>OFFTAKE PRODUCTION ENGINEERING PLANNING</p> <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
	<p>SECOND RENEWAL EXPLORATION PERIOD (2 YEARS)</p> <p><i>(Optional 1-year extension)</i></p>			
Phase VI	<p>DRILLING ASSESSMENT WELL</p> <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, 2022 are summarised as follows:

	<b>Namibia</b>	<b>Guyana</b>	<b>South Africa</b>	<b>Total</b>
	<b>(USD)</b>	<b>(USD)</b>	<b>(USD)</b>	<b>(USD)</b>
<b>Property acquisition costs</b>	-	-	-	-
<b>Exploration costs</b>	1,690,000	630,000	-	<b>2,320,000</b>
<b>Development costs</b>	-	-	-	-

### Exploration and Development Activities

During the year ended March 31, 2022 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*.