Eco (Atlantic) Oil & Gas Ltd.

Condensed Interim Consolidated Financial Statements
For the Three and Nine Month Periods ended December 31, 2023

Expressed in US Dollars

(Unaudited)

NOTICE TO SHAREHOLDERS

The accompanying Unaudited Condensed Interim Consolidated Financial Statements of Eco (Atlantic) Oil & Gas Ltd. for the three and nine month periods ended December 31, 2023 and 2022 have been prepared by management in accordance with International Financial Reporting Standards applicable to Condensed Interim Consolidated Financial Statements. Recognizing that the Company is responsible for both the integrity and objectivity of the Unaudited Condensed Interim Consolidated Financial Statements, management is satisfied that these Unaudited Condensed Interim Consolidated 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 Interim Consolidated 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 Interim Consolidated 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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December 31, 2023 and 2022

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

	December 31, 2023	March 31, 2023
Assets		
Current Assets		
Cash and cash equivalents	**$ 2,190,363**	$ 4,110,734
Short-term investments	**13,107**	13,107
Government receivable	**18,328**	22,494
Amounts owing by license partners, net	**31,830**	477,578
Accounts receivable and prepaid expenses	**79,520**	1,529,451
Total Current Assets	**2,333,148**	6,153,364
Non- Current Assets		
Investment in associate *(Note 4)*	**8,113,596**	8,612,267
Petroleum and natural gas licenses *(Note 5)*	**39,450,544**	40,852,020
Total Non-Current Assets	**47,564,140**	49,464,287
Total Assets	**49,897,288**	55,617,651
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities *(Note 7)*	**1,400,511**	4,416,789
Advances from and amounts owing to license partners, net	**198,254**	286,553
Warrant liability *(Note 6)*	**-**	261,720
Total Current Liabilities	**1,598,765**	4,965,062
Total Liabilities	**1,598,765**	4,965,062
Equity		
Share capital *(Note 8)*	**122,088,498**	121,570,983
Restricted Share Units reserve *(Note 9)*	**920,653**	920,653
Warrants *(Note 10)*	**14,778,272**	14,778,272
Stock options *(Note 11)*	**2,900,501**	2,804,806
Foreign currency translation reserve	**(1,642,705)**	(1,458,709)
Accumulated deficit	**(90,746,696)**	(87,963,416)
Total Equity	**48,298,523**	50,652,589
Total Liabilities and Equity	**$ 49,897,288**	$ 55,617,651

Basis of Preparation *(Note 2)*
Commitments *(Note 14)*

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 Interim Consolidated Financial Statements.

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

	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Revenue				
Interest income	**$ 17**	$ 36,731	**$ 1,703**	$ 93,183
	17	36,731	**1,703**	93,183
Operating expenses:				
Compensation costs	**208,201**	217,192	**629,199**	697,106
Professional fees	**89,877**	131,188	**388,437**	591,767
Operating costs, net *(Note 15)*	**567,682**	19,880,507	**1,329,063**	32,921,918
General and administrative costs *(Note 16)*	**180,744**	120,692	**453,786**	728,846
Share-based compensation *(Note 11)*	**-**	484,125	**95,695**	2,236,011
Foreign exchange loss	**(111,839)**	(333,104)	**(12,094)**	642,117
Total operating expenses	**934,665**	20,500,600	**2,884,086**	37,817,765
Operating loss	**(934,648)**	(20,463,869)	**(2,882,383)**	(37,724,582)
Gain on settlement of liability *(Note 8(b))*	**-**	-	**(200,640)**	-
Fair value change in warrant liability *(Note 6)*	**-**	556,277	**261,720**	2,402,973
Share of losses of company accounted for at equity *(Note 4)*	**(166,224)**	(92,303)	**(498,671)**	(276,908)
Net loss for the period from continuing operations, before taxes	**$ (1,100,872)**	$ (19,999,895)	**$ (3,319,974)**	$ (35,598,517)
Tax recovery	**-**	-	**536,694**	-
Net loss for the period from continuing operations, after taxes	**$ (1,100,872)**	$ (19,999,895)	**$ (2,783,280)**	$ (35,598,517)
Gain (loss) from discontinued operations, after-tax	**-**	546,343	**-**	(351,980)
Net loss for the period	**(1,100,872)**	(19,453,552)	**(2,783,280)**	(35,950,497)
Foreign currency translation adjustment	**101,779**	16,803	**(183,996)**	(536,299)
Comprehensive loss for the period	**$ (999,093)**	$ (19,436,749)	**$ (2,967,276)**	$ (36,486,796)
Basic and diluted net loss per share:				
from continuing operations	**$ (0.003)**	$ (0.055)	**$ (0.009)**	$ (0.103)
from discontinued operations	**$ (0.000)**	$ 0.001	**$ (0.000)**	$ (0.001)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	**370,173,680**	365,355,650	**368,987,135**	344,158,567

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

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

	Number of Shares	Capital	Shares to be issued	Restricted Share Units	Warrant Reserve	Stock Options	Deficit	Foreign Currency Translation Reserve	Total Equity
Balance, March 31, 2022	**202,693,635**	**$ 63,141,609**	**$ 20,766,996**	**$ 267,669**	**$ 7,806,000**	**$ 958,056**	**$ (51,408,662)**	**$ (1,309,727)**	**$ 40,221,941**
Issuance of shares in a private placement	64,885,496	23,908,649	-	-	-	-	-	-	23,908,649
Issuance of shares in respect of Azinam Acquisition	40,170,474	20,766,996	(20,766,996)	-	-	-	-	-	-
Issuance of RSU's	-	-	-	634,045	-	-	-	-	634,045
Conversion of RSU's to shares	825,000	331,795	-	(331,795)	-	-	-	-	-
Issuance of shares in a private placement	33,586,531	4,785,168	-	-	6,972,272	-	-	-	11,757,440
Cancelation of shares	(841,824)	-	-	-	-	-	-	-	-
Issuance of shares in respect of farmout agreement	23,762,702	8,500,000	-	-	-	-	-	-	8,500,000
Conversion of RSU's to shares	600,000	136,766	-	(136,766)	-	-	-	-	-
Share option expenses	-	-	-	-	-	1,601,967	-	-	1,601,967
FCTR Foreign currency translation	-	-	-	-	-	-	-	(536,299)	(536,299)
Net loss for the period from continuing operations	-	-	-	-	-	-	(35,598,517)	-	(35,598,517)
Net loss for the period from discontinued operations	-	-	-	-	-	-	(351,980)	-	(351,980)
Balance, December 31, 2022	**365,682,014**	**$ 121,570,983**	**$ -**	**$ 433,153**	**$ 14,778,272**	**$ 2,560,023**	**$ (87,359,159)**	**$ (1,846,026)**	**$ 50,137,246**
Issuance of shares in respect of farmout agreement	1,666,666	-	-	-	-	-	-	-	-
Issuance of RSU's	-	-	-	487,500	-	-	-	-	487,500
Share option expenses	-	-	-	-	-	244,783	-	-	244,783
FCTR Foreign currency translation	-	-	-	-	-	-	-	387,317	387,317
Net loss for the period from continuing operations	-	-	-	-	-	-	(1,036,441)	-	(1,036,441)
Net gain for the period from discontinued operations	-	-	-	-	-	-	432,184	-	432,184
Balance, March 31, 2023	**367,348,680**	**$ 121,570,983**	**$ -**	**$ 920,653**	**$ 14,778,272**	**$ 2,804,806**	**$ (87,963,416)**	**$ (1,458,709)**	**$ 50,652,589**
Issuance of shares for settlement of liability (Note 8(a))	1,200,000	200,640	-	-	-	-	-	-	200,640
Issuance of shares in respect of farmout agreement (Note 8(b))	1,625,000	316,875	-	-	-	-	-	-	316,875
Share option expenses (Note 11)	-	-	-	-	-	95,695	-	-	95,695
FCTR Foreign currency translation	-	-	-	-	-	-	-	(183,996)	(183,996)
Net loss for the period from operations	-	-	-	-	-	-	(2,783,280)	-	(2,783,280)
Balance, December 31, 2023	**370,173,680**	**$ 122,088,498**	**$ -**	**$ 920,653**	**$ 14,778,272**	**$ 2,900,501**	**$ (90,746,696)**	**$ (1,642,705)**	**$ 48,298,523**

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

Eco (Atlantic) Oil & Gas Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended December 31, 2023 and 2022
(Expressed in US Dollars)

	Nine months ended December 31, 2023	Nine months ended December 31, 2022
Cash flow from operating activities - continued operations		
Net loss from continuing operations	**$ (2,783,280)**	$ (35,598,517)
Items not affecting cash:		
Share-based compensation	**95,695**	2,236,011
Revaluation of warrant liability	**(261,720)**	(2,402,973)
Share of losses of companies accounted for at equity	**498,671**	276,908
Changes in non-cash working capital:		
Government receivable	**4,166**	(14,981)
Accounts payable and accrued liabilities	**(2,897,287)**	15,243,249
Accounts receivable and prepaid expenses	**1,449,931**	7,969,314
Reallocation to discontinued operations cashflows	**-**	(171,294)
Advance from and amounts owing to license partners	**357,449**	(12,878,306)
Cash flow from operating activities - continued operations	**(3,536,375)**	(25,340,589)
Cash flow from operating activities - discontinued operations	**-**	(810,822)
Cash flow from investing activities		
Short-term investments	**-**	(2,648)
Acquisition of Orinduik BV (*)	**(700,000)**	-
Proceeds from Block 3B/4B farmout	**2,500,000**	-
Cash flow from investing activities - continued operations	**1,800,000**	(2,648)
Cash flow from investing activities - discontinued operations	**-**	2,047,322
Cash flow from financing activities		
Proceeds from private placements, net	**-**	35,666,089
Cash flow from financing activities	**-**	35,666,089
Increase (decrease) in cash and cash equivalents	**(1,736,375)**	11,559,352
Foreign exchange differences	**(183,996)**	(536,298)
Cash and cash equivalents, beginning of period	**4,110,734**	3,438,834
Cash and cash equivalents, end of period	**$ 2,190,363**	$ 14,461,888
Supplementary disclosure of cash flow information:		
Significant non-cash transactions		
Issuance of shares for settlement of liability	**$ 200,640**	$ -
Issuance of shares in respect of farmout agreement	**$ 316,875**	$ 8,500,000
Acquisition of Orinduik BV		
Petroleum and natural gas license	**$ 781,649**	$ -
Working capital - liabilities	**$ (81,649)**	$ -
(*) Total cash and cash equivalents paid	**$ 700,000**	$ -

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

1. Nature of Operations

Eco (Atlantic) Oil & Gas Ltd. ("Eco Atlantic" or the "Company") operates businesses focused on high growth, high impact energy projects - primarily through identifying, acquiring, and exploring oil and gas assets. The Company's key oil and gas assets include Block 2B and Block 3B/4B offshore the republic of South Africa ("South Africa"), four licenses offshore the Republic of Namibia ("Namibia), an interest in the Orinduik License offshore the Co-Operative Republic of Guyana ("Guyana"), and an indirect ownership of an interest in the Canje Block offshore Guyana though a 7.3% investment in a privately owned company. The head office of the Company is located at 7 Coulson Avenue, Toronto, ON, Canada, M4V 143.

The Company is listed on the TSX Venture Exchange ("TSXV") and trades under the symbol "EOG.V" and on the AIM Market ("AIM") of the London Stock Exchange and trades under the symbol "ECO.L".

These Condensed Interim Consolidated Financial Statements were approved by the Board of Directors of the Company on February 26, 2024.

2. Basis of Preparation

The Condensed Interim Consolidated 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 applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee.

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting. The Unaudited Condensed Interim Consolidated 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, 2023.

Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2023 could result in restatement of these Condensed Interim Consolidated Financial Statements.

Significant accounting judgments and estimates

The preparation of the consolidated 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.

3. Summary of Significant Accounting Policies (continued)

Significant accounting judgments and estimates (continued)

Critical accounting estimates

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

Judgements

i) Impairment of petroleum and natural gas licenses

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) Investment in associates

The Company has determined it holds significant influence over JHI due to its ability to appoint a director to the JHI Board (see note 4). Accordingly, the Company accounts for its investment using the equity method of accounting in accordance with IAS 28 Investment in Associates and Joint Ventures. Management applies its judgement as to whether the Company has significant influence over JHI. If the Company did not have significant influence, it would account for the investment as a financial instrument carried at FVTPL.

Estimates

i) Stock Based Compensation

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing 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, risk free rate, estimated forfeitures and expected term.

ii) Acquisition of Azinam and JHI

As part of the acquisition of Azinam and JHI, the Company issued share-based consideration, which required fair value estimations.

(Expressed in US Dollars)

4. Investment in associate

JHI Associates Inc.

During the year ended March 31, 2022, the Company acquired a 7.35% interest in JHI Associates Inc. ("JHI"), a private company incorporated in Ontario and headquartered in Toronto, Canada and was granted the right to appoint a non-executive director to the board of JHI. The Company was also issued 9,155,451 warrants to purchase the same number of shares in JHI at a price of $2.00 per share, which expired on December 28, 2022.

The Canje Block is operated by ExxonMobil and is held by Esso Exploration & Production Guyana Limited (35%), Total E&P Guyana B.V. (35%), JHI Associates (BVI) Inc. (17.5%) and Mid-Atlantic Oil & Gas Inc. (12.5%) (together the “JV Partners").

The following table summarizes the equity method accounting for the investment:

Balance April 1, 2022	$	9,277,162
Proportionate loss for the period		(664,895)
March 31, 2023	$	8,612,267
Proportionate loss for the period		(498,671)
December 31, 2023	$	8,113,596

5. Petroleum and Natural Gas Licenses

		License acquisitions
Balance - March 31, 2022	$	30,753,034
Block 3B/4B (Note 5(b(ii)))		10,098,986
Balance – March 31, 2023	**$**	**40,852,020**
Block 3B/4B farmout (Note 5(b)(ii))		(2,500,000)
Azinam acquisition adjustment (Note 8(b))		316,875
Orinduik block farm in (Note 5(a))		781,649
Balance - December 31, 2023		**39,450,544**

5. Petroleum and Natural Gas Licenses (continued)

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

a) 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").

During 2019, the Company completed two exploration wells, including two discoveries, and 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 a significant increase in Gross Prospective Resources to 5,141 MMBOE (771 MMBOE net to Eco) from the previous estimate of Gross Prospective Resources of 3,981 MMBOE in March 2019.

On August 10, 2023, the Company announced that it has signed a Sale Purchase Agreement (the "Agreement") pursuant to which its wholly owned subsidiary, Eco Guyana Oil and Gas (Barbados) Limited ("Eco Guyana"), will acquire a 60% Operated Interest in Orinduik Block, offshore Guyana, through the acquisition of Tullow Guyana B.V. ("TGBV"), a wholly owned subsidiary of Tullow Oil Plc. ("Tullow") (the "Transaction") in exchange for a combination of upfront cash and contingent consideration.

Transaction summary:

- $700,000 cash payment upon transfer of TGBV's 60% Participating Interest and operatorship of the Orinduik licence to Eco Guyana, to be paid to Tullow Overseas Holdings B.V., the parent of TGBV ("TOHBV") on completion of the Transaction (the "Initial Consideration").
- Contingent consideration payable to TOHBV is linked to the success of a series of potential future milestones, as follows:
- $4 million in the event of a commercial discovery;
- $10 million payment upon the issuance of a production licence from the Government of Guyana; and
- Royalty payments on future production - 1.75% of the 60% Participating Interest entitlement revenue net of capital expenditure and lifting costs.

The Transaction closed and the Initial Consideration was paid on November 20, 2023. TGBV was renamed Eco Orinduik B.V. ("Eco Orinduik") and as such, the interests of the JV partners in the Orinduik License are as follows:

- Eco holds an aggregate 75% Participating Interest via Eco Orinduik (60% and Operator of the block) and Eco (Atlantic) Guyana Inc. (15%); and
- TOQAP Guyana B.V holds a Participating Interest of 25% as of the date of these FS. See note 18.

5. Petroleum and Natural Gas Licenses (continued)

b) South Africa

The Company holds 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”).

i) Block 2B

Block 2B is located in the Orange Basin and covers 3,062 Km off the west coast of South Africa 300 kilometers north of Cape Town with water depths ranging from 50 to 200 meters.

Under the terms of Azinam’s farmout agreement with Africa Energy Corp., Azinam has acquired a 50% participating interest in Block 2B and became 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 Energy has become a 12.5% participating interest holder on the license. Crown Energy AB indirectly holds the remaining 10% participating interest.

On November 15, 2022, a Production Right Application to the Petroleum Agency of South Africa (“PASA”), for Block 2B, based on the existing oil discovery of AJ-1 and potential future operations was submitted by the JV Partners.

On November 18, 2022, the Company announced that the Gazania-1 well on Block 2B, offshore South Africa, which spudded on October 10, 2022, reached target depth of 2,360m but did not show evidence of commercial hydrocarbons. The well was plugged and abandoned as planned. Gases normally associated with light oil were encountered throughout the drilling of the well.

ii) Block 3B/4B

Block 3B/4B, located between 120-250kms offshore western South Africa, covers an area of 17,581km² and lies in water depths ranging from 300-2500m.

As at December 31, 2023, Africa Oil SA Corp, a wholly owned subsidiary of Africa Oil Corp. and the Operator of the Block, holds a 20% Participating Interest. Azinam Limited, a wholly owned subsidiary of the Company, holds a 26.25% Participating Interest with Ricocure (Proprietary) Limited (“**Ricocure**”) holding the remaining 53.75% Participating Interest.

5. Petroleum and Natural Gas Licenses (continued)

a) South Africa (continued)

ii) Block 3B/4B (continued)

On July 11, 2023, the Company signed a legally binding Letter of Intent (the "Agreement") pursuant to which its wholly owned subsidiary, Azinam Limited ("Azinam"), will farm out a 6.25% Participating Interest in Block 3B/4B, to Africa Oil SA Corp, a wholly owned subsidiary of Africa Oil Corp. ("Africa Oil") (the "Acquisition"). Pursuant to the terms of the LOI, the completion of the Acquisition is subject to the satisfaction of customary conditions precedent including, but not limited to, the receipt of requisite regulatory approvals from the government of South Africa and the TSXV.

The consideration for the Acquisition is up to $10.5 million in cash, payable conditional on certain milestones as set out below:

- $2.5 million within 30 days of signing of the LOI (received on July 25, 2023);
- $2.5 million upon government approval for the transfer of the 6.25% interest in Block 3B/4B to Africa Oil; (received on January 16, 2024).
- $4 million upon the completion of a targeted farm out to a third party; and
- $1.5 million upon spud of the first exploration well in Block 3B/4B

On closing of the Acquisition, which is subject, amongst other things, to Section 11 approval for the transfer from the government of South Africa, TSXV approval and customary pre-emption provisions, the Block 3B/4B interests of the JV partners in Block 3B/4B will be as follows:

- Africa Oil SA Corp, a wholly owned subsidiary of Africa Oil Corp. and the Operator of the Block, holding a 26.25% Participating Interest;
- Azinam holding a Participating Interest of 20%; and
- Ricocure (Proprietary) Limited, holding the remaining 53.75% Participating Interest.

The JV partners continue to progress the collaborative farm-out process, as previously announced, for up to a 60% gross working interest in the Block, with various potential parties.

5. Petroleum and Natural Gas Licenses (continued)

c) Namibia

The Company holds four offshore petroleum licenses in the Republic of Namibia being petroleum exploration license number 097 (the "Cooper License"), petroleum exploration license number 098 (the "Sharon License"), petroleum exploration license number 099 (the "Guy License") and petroleum exploration license number 100 (the "Tamar License"), (together the ""Namibia Licenses").

The Cooper License

The Cooper License covers approximately 5,788 Km and is located in license area 2012A offshore in the economical waters of Namibia (the "Cooper Block"). The Company holds, through its subsidiaries, a 85% WI ("WI") in the Cooper License, the National Petroleum Corporation of Namibia ("NAMCOR") holds a 10% WI and Tangi Trading Enterprise cc holds a 5% WI ("Tangi").The Company carries NAMCOR and Tangi's WI proportionally during the exploration period.

On February 3, 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 Km and is located in license area 2213 offshore in the economical waters of Namibia (the "Sharon Block"). The Company holds, through its subsidiaries, 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 carries NAMCOR and Titan's WI during the exploration period.

On February 3, 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 Km and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the "Guy Block"). The Company holds, through its subsidiaries, 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 carries NAMCOR and Lotus' WI during the exploration period.

On February 3, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

The Tamar License

The Tamar License covers approximately 5,649 Km and is located in license areas 2211B and 2311A offshore in the economical waters of Namibia (the "Tamar Block"). The Company holds, through its subsidiaries, an 85% WI in the Tamar Block, NAMCOR holds a 10% WI and Moonshade Investment (Pty) Ltd holds a 5% WI ("Moonshade"). The Company proportionally carries NAMCOR and Moonshade's WI during the exploration period.

On February 3, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

6. Warrant Liability

On July 19, 2021, the Company issued 14,945,913 warrants in connection with its private placement financing. The warrants had an exercise price denominated in Canadian dollars, which is not 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 are revalued at the end of each reporting period. The warrants expired on July 19, 2023 and therefore there is no liability as of December 31, 2023. During the three and nine month periods ended December 31, 2023, the Company recorded a gain on the revaluation of the total warrant liability of $nil and $261,720 respectively, in the Condensed Interim Consolidated Statements of Operations and Comprehensive Loss.

The Black-Scholes option pricing model was used to measure the derivative warrant liability prior to their expiration with the following assumptions:

	Issuance date July 19, 2021	**Reporting period March 31, 2023**
Share Price	CAD$0.45	CAD$0.35
Exercise Price	CAD$0.47	CAD$0.47
Expected life	2 years	0.29 years
Risk-free interest rate	0.48%	3.8%
Dividend yield	0.00%	0.00%
Foreign exchange rate (CAD/USD)	1.2477	1.3533
Expected volatility	106%	76.46%
Value of warrants	$2,978,626	$261,720

(Expressed in US Dollars)

7. Related Party Transactions and Balances and Director and Officer Remuneration

The following are the expenses incurred with related parties for the nine month period ended December 31, 2023 and 2022 and the balances owing as of December 31, 2023 and 2022:

December 31, 2023:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at December 31, 2023
Executive Directors						
Gil Holzman - CEO	$ -	$ 358,701	$ -	$ 23,726	$ 382,427	$ 39,856
Colin Kinley - COO	-	270,000	-	23,726	293,726	30,000
Gadi Levin - Financial Director	-	84,800	-	6,327	91,127	10,300
Alice Carroll (*)	-	2,406	-	4,745	7,151	12,436
Non Executive Directors						
Keith Hill	17,220	-	-	11,863	29,083	5,740
Peter Nicol	25,551	-	-	6,327	31,878	8,517
Alan Friedman	-	28,635	-	3,163	31,798	3,182
Selma Usiku (*)		159	-	-	159	813
Helmut Angula (**)	14,350	-	-	3,163	17,513	4,783
Officers						
Alan Rootenberg - CFO	-	18,110	-	-	18,110	2,012
Kinley Exploration LLC, a company controlled by the COO	-	137,477	-	-	137,477	29,000
Total	**$ 57,121**	**$ 900,288**	**$ -**	**$ 83,040**	**$ 1,040,449**	**$ 146,639**

(*) Appointed as a director on October 9, 2023.
(**) Ceased to be a director on October 9, 2023.

December 31, 2022:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at December 31, 2022
Executive Directors						
Gil Holzman - CEO	$ -	$ 364,405	$ 273,000	$ 340,844	$ 978,249	$ 40,489
Colin Kinley - COO	-	270,000	273,000	340,844	883,844	-
Gadi Levin - Financial Director	-	91,634	68,250	90,892	250,776	9,000
Non Executive Directors					-	
Moshe Peterburg (*)	96,000	-	97,500	227,229	420,729	32,000
Keith Hill	17,100	-	97,500	170,422	285,022	17,100
Peter Nicol	24,825	-	-	90,892	115,717	24,825
Helmut Angula	14,308	-	-	45,446	59,754	14,308
Alan Friedman	-	29,353	-	45,446	74,799	3,261
Officers					-	
Alan Rootenberg - CFO	-	16,517	-	-	16,517	1,835
Kinley Exploration LLC, a company controlled by the COO	-	412,625	-	-	412,625	71,500
Total	**$ 152,233**	**$ 1,184,534**	**$ 809,250**	**$ 1,352,015**	**$ 3,498,032**	**$ 214,318**

(*) Mr. Peterburg resigned from the board of directors effective, November 28, 2022.

8. Share Capital

Authorized Share Capital

The authorized share capital consists of an unlimited number of Common Shares with no par value.

Issued Share Capital

Share transactions during the nine months ended December 31, 2023:

a. On July 17, 2023, the Company issued 1,200,000 shares in to pay a $500,000 debt to the Lunn Family Trust in respect of the previously disclosed acquisition of the 6.25% interest in Block3B/4B. The fair value of the 1,200,000 shares at the date of issue was $299,640 and therefore, the Company recorded a gain/loss on the settlement of debt in the amount of $200,640.

b. On August 2, 2023, the Company issued 1,625,000 shares as part of the final consideration to the shareholders of Azinam in respect of the acquisition which was completed in March 2022. The fair value of the 1,625,000 shares at the date of issue was $316,875 and therefore, the Company increased the Petroleum and Natural gas licenses balance in the company's statement of financial position by this amount.

9. Restricted Share Units

On December 11, 2013, the Company approved a "fixed number" restricted share unit plan (the "RSU Plan"), which was amended December 29, 2017. The RSU Plan is designed to provide certain directors, officers, employees, and consultants of the Company with the opportunity to acquire RSUs of the Company. Each unit is equivalent in value to a Common Share and that upon vesting results in the holder thereof being issued, at the discretion of the Board, a Common Share.

As at December 31, 2023, there are 1,768,000 RSU's issued and vested. 25,000,000 RSUs are available for further issuance by the Company.

(Expressed in US Dollars)

10. Warrants

A summary of changes in warrants for the year ended March 31, 2023 and the nine months ended December 31, 2023 is detailed below:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 31, 2022	14,945,913	0.35
Issued	40,000,000	0.94
Issued	33,406,531	0.41
Balance, March 31, 2023	**88,352,444**	**0.64**
Expired	(14,945,913)	0.35
Balance, December 31, 2023	**73,406,531**	**0.70**

As at December 31, 2023, outstanding warrants were as follows:

Number of warrants		Exercise Price	Exercise Price (USD)	Expiry Date
20,000,000	*	C$1.00	$0.75	11/05/2024
20,000,000	*	C$1.50	$1.13	11/05/2025
33,406,531		$0.41	$0.41	30/06/2025
73,406,531				

(*) Exercisable only in the case of a producible commercial discovery on Block 2B or Block 3B/4B.

(Expressed in US Dollars)

11. 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 Common Shares of the Company less the aggregate number of Common 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 December 31, 2023 and changes during the period is as follows:

	Number of Options	Weighted exercise price	Remining contractual life - years
Balance, March 31, 2022	**2,070,000**	$ 0.760	1.34
Granted	7,050,000	$ 0.370	-
Expired	(1,070,000)	$ 0.365	-
Balance, March 31, 2023	**8,050,000**	$ 0.456	3.75
Expired	(1,100,000)	$ 0.437	-
Balance, December 31, 2023	**6,950,000**	$ 0.469	2.99

a) Stock-based compensation expense is recognized over the vesting period of options. During the three and nine month periods ended December 31, 2023, stock-based compensation in respect of stock option grants amounted to $nil and $95,695, respectively (three and nine months periods ended December 31, 2022 – $484,125 and $2,236,011, respectively).

b) As at December 31, 2023, outstanding options were as follows:

Number of Options Outstanding	Numnber of Options Exercisable	Exercise Price	Exercise Price (US$)	Expiry Date
700,000	700,000	C$1.50	$1.13	March 1, 2024
200,000	200,000	C$1.20	$0.91	January 10, 2025
6,050,000	6,050,000	C$0.50	$0.38	May 16, 2027
6,950,000	**6,950,000**			

12. 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, 2023, one well was drilled, plugged, and abandoned as the Operator in accordance with international standards and the Petroleum Regulations and the Government of the Republic of South Africa, so there is no further liability after the drilling program was completed.

As of December 31, 2023, the Company did not operate any properties, accordingly, no ARO was required.

13. 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 nine month period ended December 31, 2023. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

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.

13. Capital and Risk Management (continued)

Risk Management (continued)

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.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As of December 31, 2023, the Company has working capital balance of $734,383 (March 31, 2023 – working capital of $1,450,022). The table below presents the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows	Within 1 year
Accounts payable and accrued liabilities	$ 1,400,511	$ 1,400,511	$ 1,400,511
Advances from and amounts owing to license partners, net	198,254	198,254	198,254
	$ 1,598,765	**$ 1,598,765**	**$ 1,598,765**

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 December 31, 2023 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

Most of the Company's operations are in US dollars and most of the cash and cash equivalent are also held in US dollars. Therefore foreign exchange risk is low. 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.

(Expressed in US Dollars)

14. Commitments

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 $650,000 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.

15. Operating Costs, net

Operating costs consist of the following:

	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Drilling costs, data acquisition and interpretation and technical consulting, gross	**$ 535,519**	$ 32,646,425	**$ 1,234,089**	$ 50,794,025
Exploration license fees	**(311)**	18,681	**63,793**	438,132
Travel	**97,132**	52,208	**129,630**	238,049
Social corporate responsibility	**22,028**	30,999	**74,171**	90,999
Recovered under Joint Operating Agreements	**(86,686)**	(12,867,806)	**(172,620)**	(18,639,287)
	$ 567,682	$ 19,880,507	**$ 1,329,063**	$ 32,921,918

16. General and Administrative Costs

General and administrative costs consist of the following:

	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Occupancy and office expenses	**$ 3,389**	$ 7,411	**$ 31,886**	$ 21,980
Travel expenses	**40,292**	21,245	**79,058**	97,123
Public company costs	**106,152**	84,327	**294,438**	448,552
Insurance	**28,051**	-	**38,786**	141,521
Financial services	**2,860**	7,709	**9,618**	19,670
	$ 180,744	$ 120,692	**$ 453,786**	$ 728,846

(Expressed in US Dollars)

17. Segmental Information

As at December 31, 2023, the Company has one operating segment, oil and gas exploration. 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.

The Company's non-current assets by geographical locations are as follows:

December 31, 2023	Guyana	Namibia	South Africa	Total
Investment in associate *	$ 8,113,596	$ -	$ -	$ 8,113,596
Petroleum and natural gas licenses	781,649	15,515,625	23,153,270	39,450,544
	$ 8,895,245	$ 15,515,625	$ 23,153,270	$ 47,564,140

March 31, 2023	Guyana	Namibia	South Africa	Total
Investment in associate *	$ 8,612,267	$ -	$ -	$ 8,612,267
Petroleum and natural gas licenses	-	15,515,625	25,336,395	40,852,020
	$ 8,612,267	$ 15,515,625	$ 25,336,395	$ 49,464,287

(*) The investment is in shares held of a Canadian domiciled company.

18. Events After the Reporting Period

On January 22, 2024, as Operator, Eco Orinduik, gave notice to the Minister of Natural Resources of the Cooperative Republic of Guyana ("MNR") to enter the Second Phase of the Second Renewal Period of the Orinduik License effective as of January 14, 2024. This Second Phase has a commitment to drill one exploration well to the Cretaceous formation during the remainder of the license period which ends on January 13, 2026. Further, Eco advised MNR that TOQAP Guyana B.V has relinquished their 25% WI for strategic reasons and will not participate in the next phase, and that the former TOQAP Guyana B.V 25% WI will be assigned to Eco Guyana. Subject to the requisite government notifications, Eco will remain the Operator holding 40% WI in Orinduik License through Eco Guyana and 60% WI through Eco Orinduik.