

**Eco (Atlantic) Oil & Gas Ltd.**  
**Condensed Interim Consolidated Financial Statements**  
**For the Three-Month Periods ended June 30, 2025 and 2024**

**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-month periods ended June 30, 2025 and 2024 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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**June 30, 2025 and 2024**

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

	June 30, 2025	March 31, 2025
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,600,127	\$ 4,726,152
Short-term investments (Note 4)	73,467	69,676
Government receivable	39,905	58,933
Amounts owing by license partners	34,000	206,818
Accounts receivable and prepaid expenses (Note 5)	54,550	54,550
<b>Total Current Assets</b>	<b>3,802,049</b>	<b>5,116,129</b>
<b>Non- Current Assets</b>		
Petroleum and natural gas licenses (Note 7)	16,672,274	16,447,274
<b>Total Non-Current Assets</b>	<b>16,672,274</b>	<b>16,447,274</b>
<b>Total Assets</b>	<b>20,474,323</b>	<b>21,563,403</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	1,521,466	1,178,785
<b>Total Current Liabilities</b>	<b>1,521,466</b>	<b>1,178,785</b>
<b>Total Liabilities</b>	<b>1,521,466</b>	<b>1,178,785</b>
<b>Equity</b>		
Share capital (Note 9)	117,730,863	107,129,936
Restricted Share Units reserve (Note 10)	1,038,722	1,038,722
Warrants (Note 11)	-	10,600,927
Stock options (Note 12)	3,350,398	3,209,329
Foreign currency translation reserve	(1,544,704)	(1,527,171)
Accumulated deficit	(101,622,422)	(100,067,125)
<b>Total Equity</b>	<b>18,952,857</b>	<b>20,384,618</b>
<b>Total Liabilities and Equity</b>	<b>\$ 20,474,323</b>	<b>\$ 21,563,403</b>

**Basis of Preparation (Note 2)**

**Commitments (Note 13)**

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**  
(Unaudited)  
(Expressed in US Dollars)

	Three months ended June 30,	
	2025	2024
<b>Income</b>		
Interest income	\$ 15,980	\$ 3,211
<b>Operating expenses:</b>		
Compensation costs	252,075	199,467
Professional fees	111,603	141,969
Operating costs, net (Note 14)	947,235	541,686
General and administrative costs (Note 15)	126,986	158,025
Share-based compensation (Notes 10)	141,069	-
Foreign exchange loss (gain)	(7,691)	89,123
Total operating expenses	1,571,277	1,130,270
<b>Net loss for the year, before taxes</b>	<b>(1,555,297)</b>	<b>(1,127,059)</b>
Tax recovery	-	-
<b>Net loss for the year, after taxes</b>	<b>(1,555,297)</b>	<b>(1,127,059)</b>
Foreign currency translation adjustment	(17,533)	(31,739)
<b>Comprehensive loss for the period</b>	<b>\$ (1,572,830)</b>	<b>\$ (1,158,798)</b>
Basic and diluted net loss per share:	\$ (0.005)	\$ (0.003)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	315,231,936	370,173,680

*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**  
(Unaudited)  
(Expressed in US Dollars)

	Number of Shares	Capital	Restricted Share Units	Warrant Reserve	Stock Options	Deficit	Foreign Currency Translation Reserve	Total Equity
<b>Balance, March 31, 2024</b>	<b>370,173,680</b>	<b>\$ 122,088,498</b>	<b>\$ 920,653</b>	<b>\$ 14,778,272</b>	<b>\$ 2,900,501</b>	<b>\$ (109,101,315)</b>	<b>\$ (1,568,469)</b>	<b>\$ 30,018,140</b>
Foreign currency translation adjustment	-	-	-	-	-	-	(31,739)	(31,739)
Net loss for the period	-	-	-	-	-	(1,127,059)	-	(1,127,059)
<b>Balance, June 30, 2024</b>	<b>370,173,680</b>	<b>\$ 122,088,498</b>	<b>\$ 920,653</b>	<b>\$ 14,778,272</b>	<b>\$ 2,900,501</b>	<b>\$ (110,228,374)</b>	<b>\$ (1,600,208)</b>	<b>\$ 28,859,342</b>
Cancellation of shares and warrants	(54,941,744)	(18,120,562)	-	(1,015,345)	-	11,311,739	-	(7,824,168)
Expiration of warrants	-	3,162,000	-	(3,162,000)	-	-	-	-
Share-based compensation	-	-	118,069	-	308,828	-	-	426,897
Foreign currency translation adjustment	-	-	-	-	-	-	73,037	73,037
Net loss for the year	-	-	-	-	-	(1,150,490)	-	(1,150,490)
<b>Balance, March 31, 2025</b>	<b>315,231,936</b>	<b>\$ 107,129,936</b>	<b>\$ 1,038,722</b>	<b>\$ 10,600,927</b>	<b>\$ 3,209,329</b>	<b>\$ (100,067,125)</b>	<b>\$ (1,527,171)</b>	<b>\$ 20,384,618</b>
Share-based compensation (Notes 10 and 12)	-	-	-	-	141,069	-	-	141,069
Expiration of warrants	-	10,600,927	-	(10,600,927)	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	(17,533)	(17,533)
Net loss for the year	-	-	-	-	-	(1,555,297)	-	(1,555,297)
<b>Balance, June 30, 2025</b>	<b>315,231,936</b>	<b>117,730,863</b>	<b>1,038,722</b>	<b>-</b>	<b>3,350,398</b>	<b>(101,622,422)</b>	<b>(1,544,704)</b>	<b>\$ 18,952,857</b>

*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 Three Months Ended June 30, 2025 and 2024**  
(Unaudited)  
(Expressed in US Dollars)

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	Three months ended June 30,	
	2025	2024
<b>Cash flow from operating activities</b>		
Net loss from operations	\$ (1,555,297)	\$ (1,127,059)
Items not affecting cash:		
Share-based compensation	141,069	-
Changes in non-cash working capital:		
Government receivable	19,028	10,198
Accounts payable and accrued liabilities	342,681	(372,129)
Accounts receivable and prepaid expenses	-	36,533
Advance from and amounts owing to license partners	172,818	(147,693)
<b>Cash flow from operating activities</b>	<b>(879,701)</b>	<b>(1,600,150)</b>
<b>Cash flow from investing activities</b>		
Short-term investments	(3,791)	-
Acquisition of interest in property	(225,000)	(150,000)
<b>Cash flow from investing activities</b>	<b>(228,791)</b>	<b>(150,000)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(1,108,492)</b>	<b>(1,750,150)</b>
Foreign exchange differences	(17,533)	(31,739)
Cash and cash equivalents, beginning of period	4,726,152	2,967,005
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,600,127</b>	<b>\$ 1,185,116</b>

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

# **Eco (Atlantic) Oil & Gas Ltd.**

## **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)**

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### **1. Nature of Operations**

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- a) Eco (Atlantic) Oil & Gas Ltd. ("Eco Atlantic" or the "Company") operates a business 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 1 (see note 7(b)(i)) and Block 3B/4B offshore the Republic of South Africa ("South Africa"), four licenses offshore the Republic of Namibia ("Namibia"), and an interest in the Orinduik License offshore the Co-Operative Republic of Guyana ("Guyana"). 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 August 28, 2025.
- b) **Going Concern**
- These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.
- The Company has accumulated a deficit of \$101,577,272 since its inception and expects to incur further losses in the development of its business.
- The ability of the Company to continue as a going concern depends upon a combination of the discovery of economically recoverable petroleum and natural gas licenses, completion of existing farm-out agreements, including the receipt of \$11.5m due from its JV partners in accordance with a farm out agreement signed in March 2024 (see note 5(b)(ii)), the ability of the Company to obtain financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition. These matters raise some doubt about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts recorded on its condensed interim consolidated statements of financial position.
- These condensed interim consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.



# **Eco (Atlantic) Oil & Gas Ltd.**

## **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)**

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### **2. Basis of Preparation**

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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 Material Accounting Policies**

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#### **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, 2025.

Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2026, could result in restatement of these condensed interim consolidated financial statements.

#### **Significant accounting judgements and estimates**

The preparation of the condensed interim 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.

# Eco (Atlantic) Oil & Gas Ltd.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

### 3. Summary of Material Accounting Policies (continued)

#### Significant accounting judgements 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 is objective evidence 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.

##### *ii) Investment in associates*

The Company has determined it holds significant influence over JHI Associates Inc. ("JHI") due to its ability to appoint a director to the JHI Board. Accordingly, the Company accounts for its investment using the equity method of accounting in accordance with IAS 28 Investments in Associates and Joint Ventures. Management applies its judgements as to whether the Company has significant influence over JHI and if the Company did not have significant influence, it would account for the investment as a financial instrument carried at fair value through profit and loss. During the year ended March 31, 2024, the Company identified objective evidence of impairment relating to the Company's investment in JHI and consequently revalued this investment (see note 4).

##### 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 Black-Scholes model is based on significant assumptions such as volatility, dividend yield, risk free interest rate, estimated forfeitures and expected term.

### 5. Petroleum and Natural Gas Licenses

	<u>Licenses</u>
<b>Balance – March 31, 2024</b>	<b>\$ 28,168,439</b>
Acquisition of Block 1	150,000
Block 3B/4B farm-out	(11,871,165)
<b>Balance - March 31, 2025</b>	<b>\$ 16,447,274</b>
Acquisition of Block 1 (Note 5b(i))	225,000
<b>Balance - June 30, 2025</b>	<b>16,672,274</b>

## **Eco (Atlantic) Oil & Gas Ltd.**

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)**

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#### **5. Petroleum and Natural Gas Licenses (continued)**

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

##### **a) Guyana**

The Orinduik block is situated in shallow to deep water (70m – 1,400m), 170 kilometers offshore Guyana in the Suriname Guyana basin ("Orinduik Block").

The Company was awarded the Orinduik Petroleum License in 2016, alongside JV Partner and Operator, Tullow Oil Plc ("Tullow").

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.

On August 10, 2023, the Company acquired an additional 60% operating interest in Orinduik Block, offshore Guyana, through the acquisition of Tullow Guyana B.V. ("TGBV"), a wholly owned subsidiary of Tullow. The transaction closed on November 15, 2023, TGBV was renamed Eco Orinduik B.V. ("Eco Orinduik") and as such the Company holds an aggregate 100% Participating Interest via Eco Orinduik (60% and operator of the block) and Eco (Atlantic) Guyana Inc. (40%).

##### **b) South Africa**

Offshore South Africa in the Orange Basin, the Company holds a 5.25% Working Interest ("WI") in the 17,581 km<sup>2</sup> Block 3B/4B ("Block 3B/4B") and on June 5, 2024, the Company announced the acquisition of Block 1 ("Block 1") pending government title award, which was granted on June 3, 2025 (see note (i) below).

##### **i) Block 1**

On June 4, 2024, the Company completed the farm-in into Block 1 Offshore South Africa Orange Basin. Through Azinam South Africa, the Company will farm-in and acquire a 75% WI from Tosaco Energy (Proprietary) Limited ("Tosaco") and will become operator of a new exploration right (the "Farm-In").

The terms of the 75% WI Farm-In are as follows: \$150,000 payable upon signing (Paid on June 6, 2024), \$225,000 payable upon issuance of Section 11 (Government title transfer) (Paid on June 4, 2025) and \$375,000 payable upon a TSX-V/AIM compliant Resource Report to be commissioned by the Company. The Company will carry the remaining 25% WI through the budget and work program for the first three years up to an agreed sum of \$2.3 million of a total work program.

## **Eco (Atlantic) Oil & Gas Ltd.**

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)**

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#### **5. Petroleum and Natural Gas Licenses (continued)**

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##### **b) South Africa**

##### **ii) Block 3B/4B**

Block 3B/4B, located between 120-250kms offshore western South Africa, covers an area of 17,581km<sup>2</sup> and lies in water depths ranging from 300-2500m. the Company's interest in Block 3B/4B is 5.25%.

During the years ended March 31, 2025 and 2024, the Company signed several farmout agreements pursuant to which the Company will receive future milestone based payments, as following:

- a full carry of its 5.25% retained share of all JV costs, up to a limit of \$13.5 million, repayable to TotalEnergies and QatarEnergy from production, which is expected to be adequate to fund the Company's share of drilling for up to two wells on the licence. This represents a total block carry of \$212 million.
- Further payments, amounting to \$11.5 million will be payable to the Company from TotalEnergies, QatarEnergy and Africa Oil (Meren) on achieving agreed milestones; award of an environmental permit and spudding of the first exploration well.

##### **c) Namibia**

The Company holds four offshore petroleum licenses in the Republic of Namibia ("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").

On February 3, 2021, a new ten year life cycle for the Namibia Licenses received final governmental approval and on March 15, 2025, all the Namibia Licenses received a formal 12-month extension.

##### **(i) The Cooper License**

The Cooper License covers approximately 5,788kms 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% working interest ("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. The Company is responsible for all exploration costs during the exploration period.

##### **(ii) The Sharon License**

The Sharon License covers approximately 5,700kms 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. The Company is responsible for all exploration costs during the exploration period.

# Eco (Atlantic) Oil & Gas Ltd.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

### 5. Petroleum and Natural Gas Licenses (continued)

#### c) Namibia (continued)

##### (iii) The Guy License

The Guy License covers 11,457kms 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. The Company is responsible for all exploration costs during the exploration period.

##### (iv) The Tamar License

The Tamar License covers approximately 5,649kms 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. The Company is responsible for all exploration costs during the exploration period.

In August 2024, the Company purchased the license to 1,324 km of existing 2D seismic survey in the Tamar Block.

### 6. Related Party Transactions and Balances and Director and Officer Remuneration

The following are the expenses incurred with related parties for the three-month periods ended June 30, 2025 and 2024 and the balances owing as of June 30, 2025 and 2024:

#### June 30, 2025

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at June 30, 2025
<b>Executive Directors</b>						
Gil Holzman - CEO	\$ -	\$ 85,700	45,255	13,756	\$ 144,711	\$ 43,285
Colin Kinley - COO	-	110,250	45,255	13,756	169,261	36,750
Gadi Levin - Financial Director	-	36,000	18,856	5,732	60,588	12,000
Alice Carroll	-	48,606	18,856	5,732	73,194	18,724
<b>Non Executive Directors</b>						
Peter Nicol	9,341	-	-	5,732	15,073	9,341
Keith Hill	5,620	-	-	3,439	9,059	5,620
Alan Friedman	9,246	-	-	3,439	12,685	3,528
Selma Usiku	-	5,818	-	3,439	9,257	1,977
Emily Ferguson	12,000	-	11,314	3,439	26,753	12,000
<b>Officers</b>						
Alan Rootenberg - CFO	-	2,570	-	-	2,570	1,074
Kinley Exploration LLC, a company controlled by the COO	-	83,925	-	-	83,925	23,975
<b>Total</b>	<b>\$ 36,207</b>	<b>\$ 372,869</b>	<b>139,536</b>	<b>58,464</b>	<b>\$ 607,076</b>	<b>\$ 168,274</b>

#### June 30, 2024:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at June 30, 2024
<b>Executive Directors</b>						
Gil Holzman - CEO	\$ -	\$ 118,513	\$ -	\$ -	\$ 118,513	\$ -
Colin Kinley - COO	-	90,000	-	-	90,000	30,000
Gadi Levin - Financial Director	-	30,900	-	-	30,900	-
Alice Carroll	-	26,165	-	-	26,165	-
<b>Non Executive Directors</b>						
Keith Hill	5,589	-	-	-	5,589	7,650
Peter Nicol	8,598	-	-	-	8,598	6,800
Alan Friedman	-	9,313	-	-	9,313	4,803
Oliver Quinn	-	-	-	-	-	-
Selma Usiku	-	2,453	-	-	2,453	-
<b>Officers</b>						
Alan Rootenberg - CFO	-	2,850	-	-	2,850	-
Kinley Exploration LLC, a company controlled by the COO	-	101,503	-	-	101,503	29,000
<b>Total</b>	<b>\$ 14,187</b>	<b>\$ 381,697</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 395,884</b>	<b>\$ 78,253</b>

## Eco (Atlantic) Oil & Gas Ltd.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

#### 7. 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 three months ended June 30, 2025:

- a) There were no issuances of Common Shares during the three months ended June 30, 2025.

#### 8. Restricted Share Units

- a) Since December 29, 2017, the Company maintains an Omnibus Incentive Plan (the "Plan") for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of RSU's and 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.
- b) As at June 30, 2025, there are 5,468,000 RSU issued and 1,768,000 vested RSU

#### 9. Warrants

A summary of changes in warrants for the year ended March 31, 2025 and the three months ended June 30, 2025 is detailed below:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, March 31, 2024</b>	<b>73,406,531</b>	<b>0.69</b>
Expired	(20,000,000)	0.73
Cancelled	(4,864,865)	0.41
<b>Balance, March 31, 2025</b>	<b>48,541,666</b>	<b>0.67</b>
Expired May 11, 2025	(48,541,666)	0.67
<b>Balance, June 30, 2025</b>	<b>-</b>	<b>-</b>

## Eco (Atlantic) Oil & Gas Ltd.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

#### 10. 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 June 30, 2025 and changes during the period is as follows:

	Number of Stock options	Weighted average exercise price (US\$)	Remaining contractual life - years
<b>Balance, March 31, 2024</b>	<b>6,050,000</b>	<b>\$ 0.387</b>	<b>3.05</b>
Expired	(200,000)	0.834	-
Granted	5,610,000	0.208	4.79
<b>Balance, March 31, 2025 and June 2025</b>	<b>11,460,000</b>	<b>\$ 0.279</b>	<b>2.99</b>

Stock-based compensation expense is recognized over the vesting period of options. During the three-month period ended June 30, 2025, stock-based compensation in respect of stock option grants amounted to \$141,069 (three-month period ended June 30, 2024 – \$nil).

As at June 30, 2025, outstanding options were as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Exercise Price (US\$)	Expiry Date
5,850,000	5,850,000	C\$0.50	\$0.35	May 16, 2027
5,610,000	2,805,000	C\$0.30	\$0.21	January 10, 2030
<b>11,460,000</b>	<b>8,655,000</b>			

#### 11. 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 and the requirements of the Government of the Republic of South Africa, so there is no further liability after the drilling program was completed.

During the years ended March 31, 2024 and 2025, and the three-month period ended June 30, 2025, no additional wells were drilled.

## **Eco (Atlantic) Oil & Gas Ltd.**

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)**

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#### **12. Capital and Risk Management**

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##### **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 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 three-month period ended June 30, 2025. 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, government receivable, amounts receivable and amounts owing by license partners. 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 harmonised sales tax due from the Federal Government of Canada, and VAT due from the South African Government. Government receivable and amounts owing by license partners have been collected subsequent to year end. Management believes that the credit risk concentration with respect to amounts receivable and amounts owing by license partners is remote and has a history of collecting all such receivables.

###### *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.



## Eco (Atlantic) Oil & Gas Ltd.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

#### 12. Capital and Risk Management (continued)

##### Risk Management (continued)

###### c) *Liquidity risk*

The Company is dependent on obtaining financing to complete its exploration programs and development thereon where applicable, and ultimately, achieving future profitable operations from the licenses or profitable proceeds from their disposition.

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 June 30, 2025, the Company has a working capital balance of \$2,280,583 (March 31, 2025 – working capital of \$3,937,344). The table below presents the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>
Accounts payable and accrued liabilities	\$ 1,521,466	\$ 1,521,466	\$ 1,521,466
	<b>\$ 1,521,466</b>	<b>\$ 1,521,466</b>	<b>\$ 1,521,466</b>

The Company utilizes authorisation for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources. Accounts payable and accrued liabilities at June 30, 2025 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.

## Eco (Atlantic) Oil & Gas Ltd.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

#### 13. 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.

#### 14. Operating Costs, net

Operating costs consist of the following:

	Three months ended June 30,	
	2025	2024
Drilling costs, data acquisition and interpretation and technical consulting, gross	\$ 670,655	\$ 446,820
Exploration license fees	204,751	86,397
Travel	39,203	21,166
Social corporate responsibility	32,626	60,000
Recoveries from exploration partners	-	(72,697)
	<u>\$ 947,235</u>	<u>\$ 541,686</u>

#### 15. General and Administrative Costs

General and administrative costs consist of the following:

	Three months ended June 30,	
	2025	2024
Occupancy and office expenses	\$ 5,961	\$ 10,435
Travel expenses	48,399	27,550
Public company costs	66,398	88,763
Insurance	3,363	28,051
Financial services	2,865	3,226
	<u>\$ 126,986</u>	<u>\$ 158,025</u>

# Eco (Atlantic) Oil & Gas Ltd.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months Ended June 30, 2025 and 2024 (Expressed in US Dollars)

### 16. Segmental Information

An operating segment is a component of the Company that meets the following three criteria:

- i) Is engaged in business activities from which it may earn revenues and incur expenses;
- ii) Whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about allocated resources to the segment and assess its performance; and
- iii) For which separate financial information is available.

Segment revenue and segment costs include items that are attributable to the relevant segments and items that can be allocated to segments.

As at June 30, 2025, 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:

June 30, 2025	Guyana	Namibia	South Africa	Total
Petroleum and natural gas licenses	\$ 781,649	15,515,625	375,000	16,672,274
	\$ 781,649	15,515,625	375,000	16,672,274

  

March 31, 2025	Guyana	Namibia	South Africa	Total
Petroleum and natural gas licenses	\$ 781,649	\$ 15,515,625	\$ 11,871,165	\$ 28,168,439
	\$ 781,649	15,515,625	11,871,165	28,168,439