ECO (ATLANTIC) OIL & GAS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

MARCH 31, 2026

Expressed in US Dollars

Prepared by:

ECO (ATLANTIC) OIL & GAS LTD.

7 Coulson Avenue

Toronto, ON, Canada, M4V 1Y3

July 22, 2026

Introduction

The following Management's Discussion and Analysis (the "**MD&A**") of the financial condition and results of operations of Eco (Atlantic) Oil & Gas Ltd. and its subsidiary companies (individually and collectively, as the context requires, "**Eco Atlantic**", "**Eco**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended March 31, 2026. This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2026, together with the notes thereto, (the "Financial Statements"). These documents have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

This MD&A contains forward-looking information that is subject to risk factors including those set out under "Forward Looking Information" below and elsewhere in this MD&A, including under "Risks and Uncertainties". **All amounts are reported in US dollars**, unless otherwise noted. This MD&A has been prepared as at July 22, 2026, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eco Atlantic common shares of no-par value each in the Company ("**Common Shares**"); (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Certain information and discussion included in this MD&A constitutes forward-looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements at the end of the MD&A.

Nature of Business and Structure of the Company

The Company's business focuses on the generation of shareholder value through high growth energy projects - primarily through identifying, acquiring, and exploring oil and gas assets.

The Company is Atlantic Margin-focused operating in the Republic of Guyana ("**Guyana**"), the Republic of South Africa ("**South Africa**"), and the Republic of Namibia ("**Namibia**").

The Common Shares trade on the TSX Venture Exchange (the "**TSXV**") under the symbol "EOG.V", and on the AIM Market of the London Stock Exchange (the "**AIM**") under the symbol "ECO".

Overview of Operations

Offshore Guyana, in the proven Guyana-Suriname Basin, the Company operated a 100% Working Interest ("**WI**") in the Orinduik Block (the "**Orinduik Block**") and through a 6.6% interest in JHI Associates Inc. ("**JHI**") is the indirect owner of a previous interest in the Canje Block (the "**Canje Block**") Offshore Guyana, and PL001 ("**PL001**") in the North Falkland Basin. Offshore South Africa in the Orange Basin, Eco holds a 5.25% WI in Block 3B/4B ("**Block 3B/4B")** and a 75% WI and Operatorship of Block 1 ("**Block 1**").

In Namibia, the Company holds Operatorship and an 85% WI in four offshore Petroleum Exploration Licenses ("**PEL**"): PELs: 97, 98, 99, and 100 in the Walvis Basin (the "**Namibia Licenses**").

The Company is in the exploration stage and has not yet commenced principal producing operations other than acquiring and analysing certain pertinent geological and drilled wells data in Guyana, South Africa and Namibia and drilling four (two in Orinduik and two in Canje) exploration wells in Guyana and one in South Africa (on Block 2B). The Company is currently engaged in the exploration and development of its properties, in addition to evaluating the Jethro-1 and Joe-1 heavy oil discoveries in the Orinduik Block, offshore Guyana to determine the appropriate appraisal approach.

Highlights:

- On June 29, 2026, the Company received formal Ministerial approval from the Ministry of Industries, Mines and Energy of Namibia for the Section 11 assignment relating to the Company's previously announced farm-out of its 85% participating interest in PEL 98 (Block 2213 "**Sharon Block**"), offshore Namibia, to an arm's-length wholly Namibian-owned company, Lamda Energy (Pty) Ltd ("**Lamda Energy**") (the "**Sharon Farm-Out**" or the "**Sharon Farm-Out Agreement**"). The Ministerial approval represents the final governmental consent required under Section 11 of Namibia's Petroleum (Exploration and Production) Act for the assignment of Eco's interest in PEL 98 to Lamda Energy. Following receipt of this final Ministerial approval, the parties are now completing the remaining transaction documentation, with completion of the Sharon Farm-Out expected shortly.
- On June 18, 2026, Eco announced a mid-year update on the progress of its various workstreams across its portfolio in Namibia, Guyana, the Falkland Islands, and South Africa. The announcement outlined how, since the beginning of 2026, Eco has significantly strengthened its portfolio through the introduction of major industry partners, strategic farm-out transactions and continued advancement across its Atlantic Margin acreage.
- On May 20, 2026, further to the Company's announcement on December 4, 2025, Eco signed a definitive agreement to farm down a 37.5% WIWI in Block 1 CBK offshore South Africa ("**Block 1 CBK**") to Navitas Petroleum LP (acting through a subsidiary) ("**Navitas**") (the "**Agreement**"). Navitas, following a review of geological data, elected to exercise the Block 1 CBK option ("**Block 1 CBK Option**") through the execution of a definitive farmout agreement ("**FAO**") on May 19, 2026. The Agreement is conditional on receipt of customary regulatory approvals, from the Petroleum Agency of South Africa and the TSX Venture Exchange and receipt of $4.0 million cash payment from Navitas to Eco. Upon completion, Navitas will become the Operator of Block 1 CBK with 37.5% WI (and up to 47.5% pending exercise of the Eco-OrangeBasin Energies option). Further details can be found in the South Africa section.
- Following approval by JHI Associates Inc. ("**JHI**") shareholders, on May 18, 2026, the Company confirmed that JHI successfully obtained on May 15, 2026 the final order approval (the "**Final Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), approving a court-approved plan of arrangement (the "**Arrangement**") as proposed. At JHI's annual and special meeting of shareholders

held on May 12, 2026, 100% of the votes cast were in favour of the plan of Arrangement with Eco, further demonstrating an overwhelming alignment on the transaction.

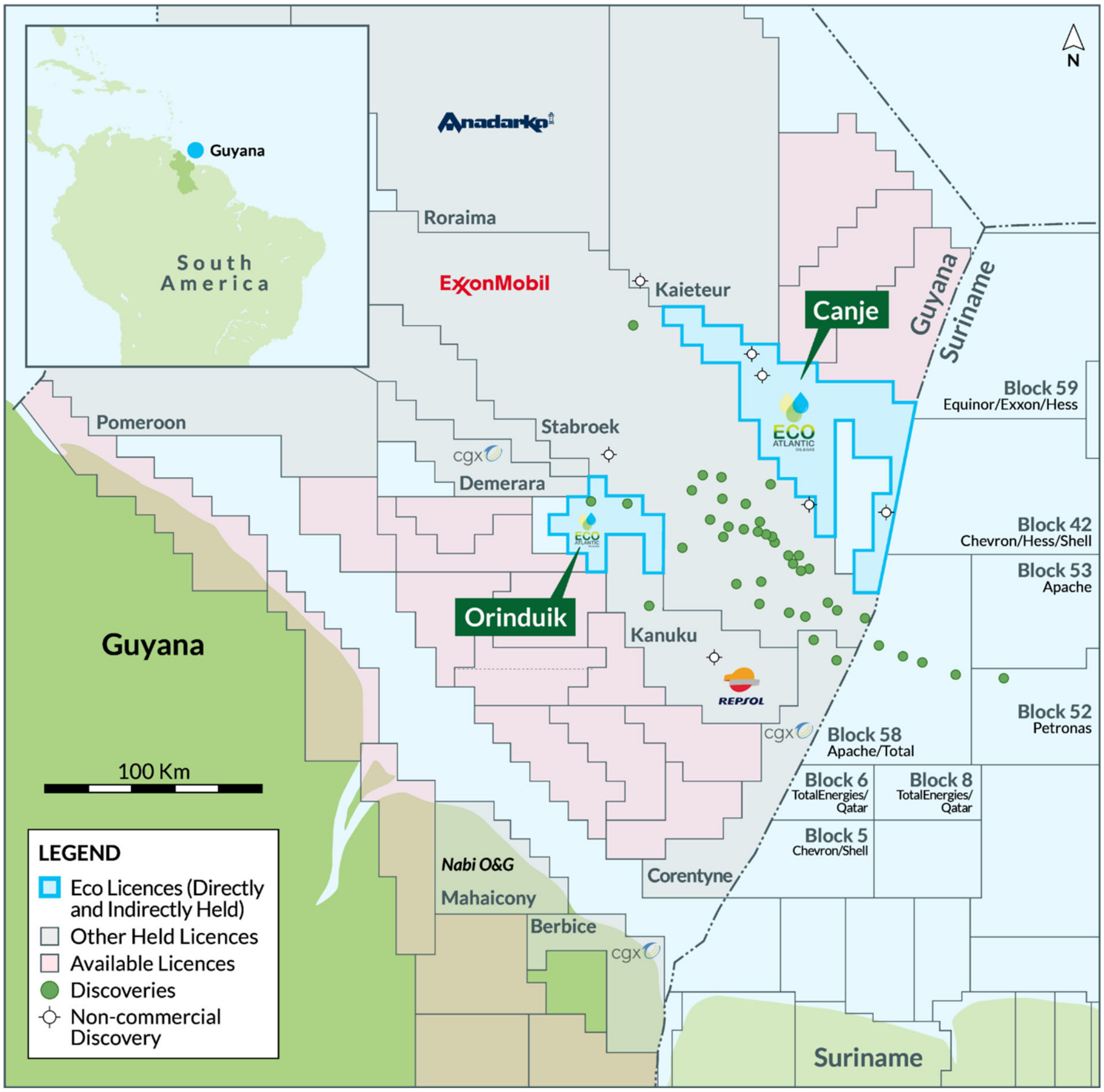
- On April 30, 2026, the Company provided an update, further to the Company's announcement on March 11, 2026, regarding the proposed acquisition of JHI by way of the Arrangement. Eco confirmed that JHI has successfully obtained an interim order (the "**Interim Order**") from the Court, which provided for, *inter alia*, the calling, holding, and conducting of the annual and special shareholders' meeting and other procedural matters in connection with the Arrangement. The receipt of the Interim Order was a key milestone in the transaction process and allowed JHI to proceed with seeking final shareholders' approval.
- On April 21, 2026 the Company announced the issuance of Common Shares and Restricted Share Units ("**RSUs**") and stock options to certain directors, officers and consultants of the Company. Further to publication of the Company's Results for the three and nine months ended 31 December 2025 on March 2, 2026, all pre-existing RSUs issued to certain directors and officers of the Company were vested and a total of 1,768,000 RSUs were automatically converted into Common Shares (the "**RSU Conversion Share**s"). Of the RSUs vested 250,000 were issued to directors, 350,000 to officers and 1,168,000 to consultants. To recognize the recent achievements and performance of the management and technical team, as well as the Board, the Company made an award under its Company Incentive Plan. In addition, the Company also issued 6,537,500 RSUs to certain Executive and Non-Executive Directors, pursuant to the Eco's Omnibus Incentive Plan as approved at its Annual and Special Meeting held on December 27, 2024 and as most recently approved by shareholders on 27 March, 2026. The RSUs will automatically vest one year after the date of grant and convert into 6,537,500 Common Shares.
- On April 13, 2026, the Company announced it signed an agreement on 10 April, 2026 to farm down 60% Participating interest ("**PI**") in all three of its Petroleum Exploration Licenses ("**PEL**") offshore Namibia to BP Namibia Energy Ltd, a wholly owned subsidiary of BP Exploration Operating Company Limited ("**BP**"). Further details of the transaction and farm down of PEL97, PEL99, and PEL100 are found in the Namibia section.
- On March 27, 2026, all resolutions were approved and duly passed at the Company Annual General Meeting ("**AGM**") held in Toronto. Following the Meeting, the previously indicated board changes took place, and the board of directors appointed Keith Hill as Non-Executive Chairman, succeeding Peter Nicol, effective March 30, 2026. Peter Nicol remains as a Non-Executive Director.
- On March 11, 2026, the Company announced it has signed a binding agreement on March 10, 2026 with JHI in which Eco agreed to acquire the issued and to be issued shares of JHI not already held by Eco (the "**Acquisition**"). Eco agreed to acquire all remaining JHI common shares ("**JHI Shares**") based on an exchange ratio of 0.7054 Common Shares for each JHI share. Further details of the Acquisition are found in the JHI section.

- On February 19, 2026, the Company announced trading of the Common Shares would be migrated to the London Stock Exchange's SETS trading platform ("SETS"). The Company's Common Shares were since February 2017, traded via the London Stock Exchange's SETSqx trading platform. Eco's migration to SETS followed the Company's successful institutional fundraising, as announced on January 23, 2026, which resulted in an increased number of international institutional shareholders. The move also enabled new and existing international institutional investors to trade Eco's shares on a continuous basis.
- On January 23, 2026 Eco entered into binding agreements with Israeli based institutional investors to subscribe for Common Shares (the "**Subscription**" or the "**Private Placement**"). The non-brokered Private Placement, raised an aggregate gross proceeds of $10.2 million (approximately £7.4 million, CAD $13.8 million) through the issue of 26,909,091 Common Shares (the "**Subscription Shares**") at an issue price of 27.5 pence ($0.37) per share, being the closing price of the Company's Common Shares on AIM on 22 January 2026 and the issuance of one warrant for each Subscription Share. Admission of the Subscription Shares to AIM took place at 8.00am (GMT) on 30 January 2026.
- On January 14, 2026, the Company announced that, together with Navitas, it is engaging in ongoing, constructive discussions with the Ministry of Natural Resources ("**MNR**"), Government of Guyana, regarding the continuation of Eco's appraisal and exploration programme on the Orinduik Block area. While the Orinduik Licence reached the end of its second renewal term on 14 January 2026, the provisions under the Petroleum Act allow the Company to maintain rights to the Jethro-1 and Joe-1 discoveries pending approval of the submitted appraisal programme. To this effect, the MNR and Guyana Geology and Mines Commission are in receipt of the relevant joint submissions of a new PSA from Eco Atlantic and Navitas. Eco Atlantic and Navitas continue to pursue the most efficient and value-accretive path forward that will be acceptable to the Ministry.
- On January 12, 2026, Navitas, with whom Eco signed a Framework Agreement related to several assets in December 2025, signed a non-binding Memorandum of Agreement with JHI for a farm-in to acquire a 65% WI in the PL001 North Falklands Basin Licence ("**PL001**"). PL001 is adjacent to the Navitas operated Sea Lion Development.

- On December 4, 2025 Eco Atlantic announced the signing of a binding Framework and Option Agreements with Navitas for Orinduik Block offshore Guyana and Block 1 CBK offshore South Africa as well as future oil and gas cooperation for the entire portfolio and new ventures. As part of the strategic Partnership (the "**Strategic Partnership**"), Navitas paid Eco Atlantic $2,000,000 to enter into an exclusive option agreement to farm-in to the Orinduik Block offshore Guyana (the "**Orinduik Option**") and Block 1 CBK offshore South Africa (the "**Options**"). The Orinduik Option, which may be exercised within twelve months and upon payment of $2,500,000 to Eco, enables Navitas to farm-in to the Orinduik Block to acquire an 80% WI and operatorship, and will carry Eco in respect of the work to be performed in the Orinduik Block, which may include drilling an exploration well or appraising the Jethro-1 and Joe-1 existing heavy oil discoveries for potential development and commercialisation. The Block 1 CBK Option was exercised by Navitas on May 19, 2026, resulting in the farm down of 37.5% of Eco's WI and operatorship of Block 1 CBK to Navitas (the "Agreement"). As part of the Agreement, Navitas will carry Eco's share of the exploration work programme in Block 1 CBK. The Agreement is conditional on receipt of customary regulatory approvals, from the Petroleum Agency of South Africa and the TSX Venture Exchange and receipt of $4.0 million cash payment from Navitas to Eco.
- On December 3, 2025 Eco though its subsidiary Azinam South Africa Limited ("**Azinam SA**") signed an exclusive option agreement with its local partner OrangeBasin Energies (Pty) Ltd ("**OrangeBasin Energies**") to acquire a further 20% participating interest in Block 1 CBK for a cash and shares consideration as set out below. Under the Block 1 CBK Option Navitas has the right to acquire 50% of this option, which is exercisable at Eco's and Navitas' mutual consent at any point throughout the term of the initial exploration period expiring in February 2028. More details can be found in the Block 1 CBK Section below.
- On November 7, 2025, the Company announced the sudden passing of Mr. Colin Kinley, a board member and Chief Operating Officer of Eco Atlantic. Mr. Kinley had a distinguished career spanning more than 45 years in the mining and oil and gas frontier exploration industries. In addition to his co-founding role with Eco, and the wealth of knowledge and experience he has brought to the Company over the years, he has served as a valued director and senior executive of numerous public companies.
- On September 16, 2025, Eco announced one year license extensions across all four of its PELs in Namibia and, pending government approval, farmed out its entire WI, in the Sharon Block to an arms-length wholly Namibian-owned company, Lamda Energy.
- On June 5, 2024, Eco announced the acquisition of a 75% interest in Block 1 Offshore South Africa in the Orange Basin, further announcing governmental title award and the Exploration Right and Operatorship the final receipt of which was announced on June 4, 2025.

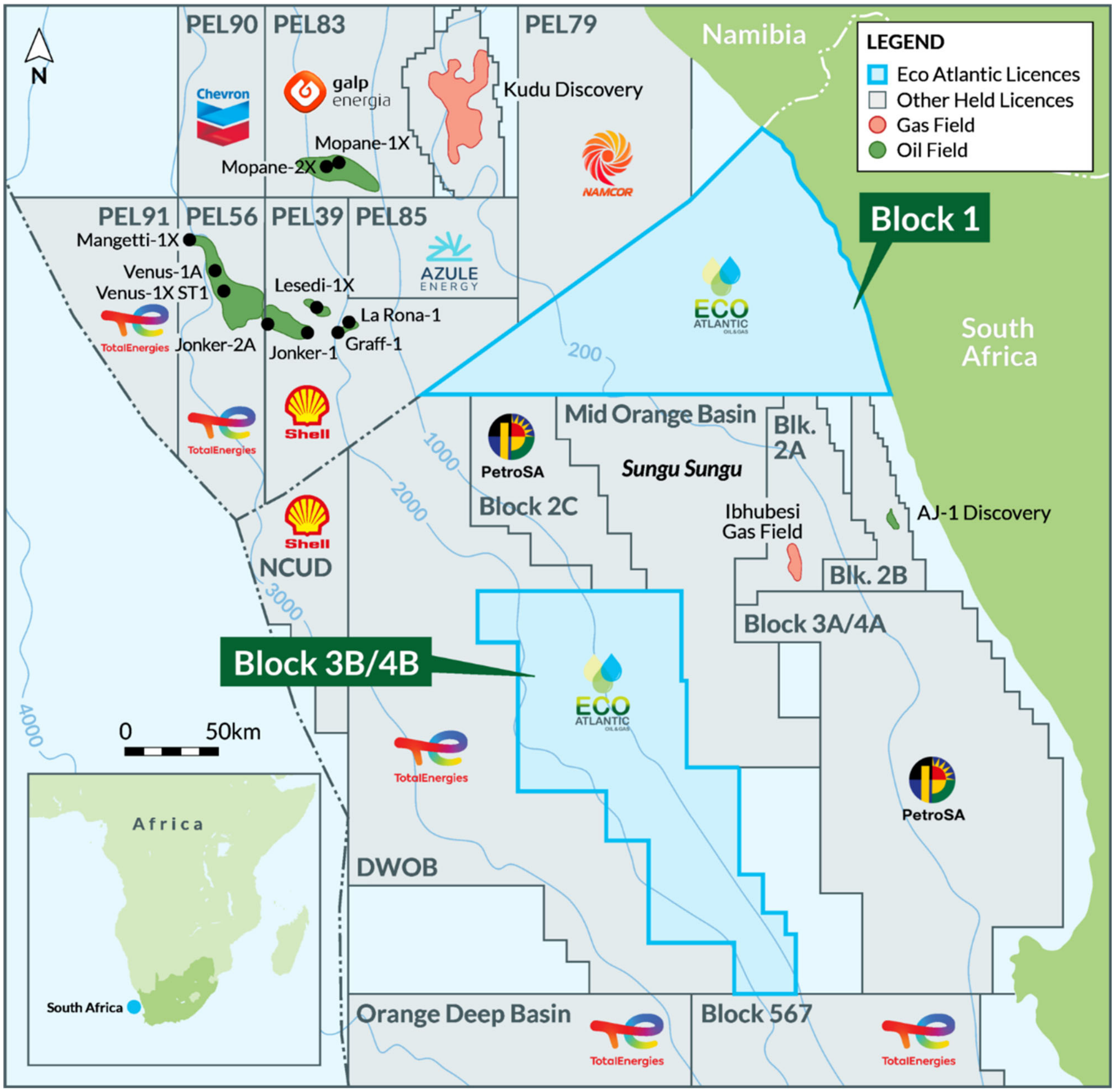
The location of the Company's exploration licenses are indicated on the maps below:

Guyana



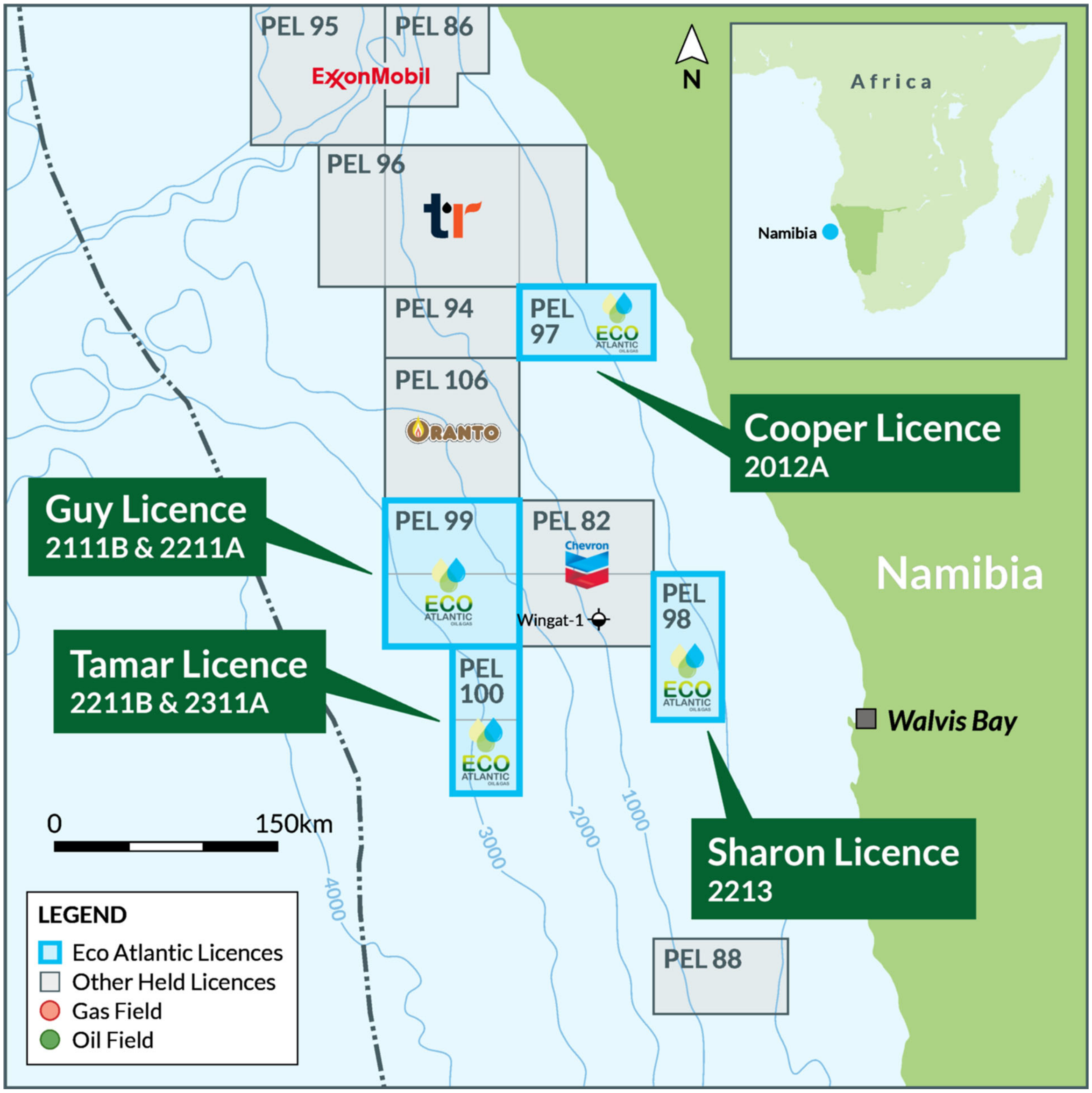
Offshore Guyana Block Outlines – combined area of 6,154 km^2

South Africa Orange Basin



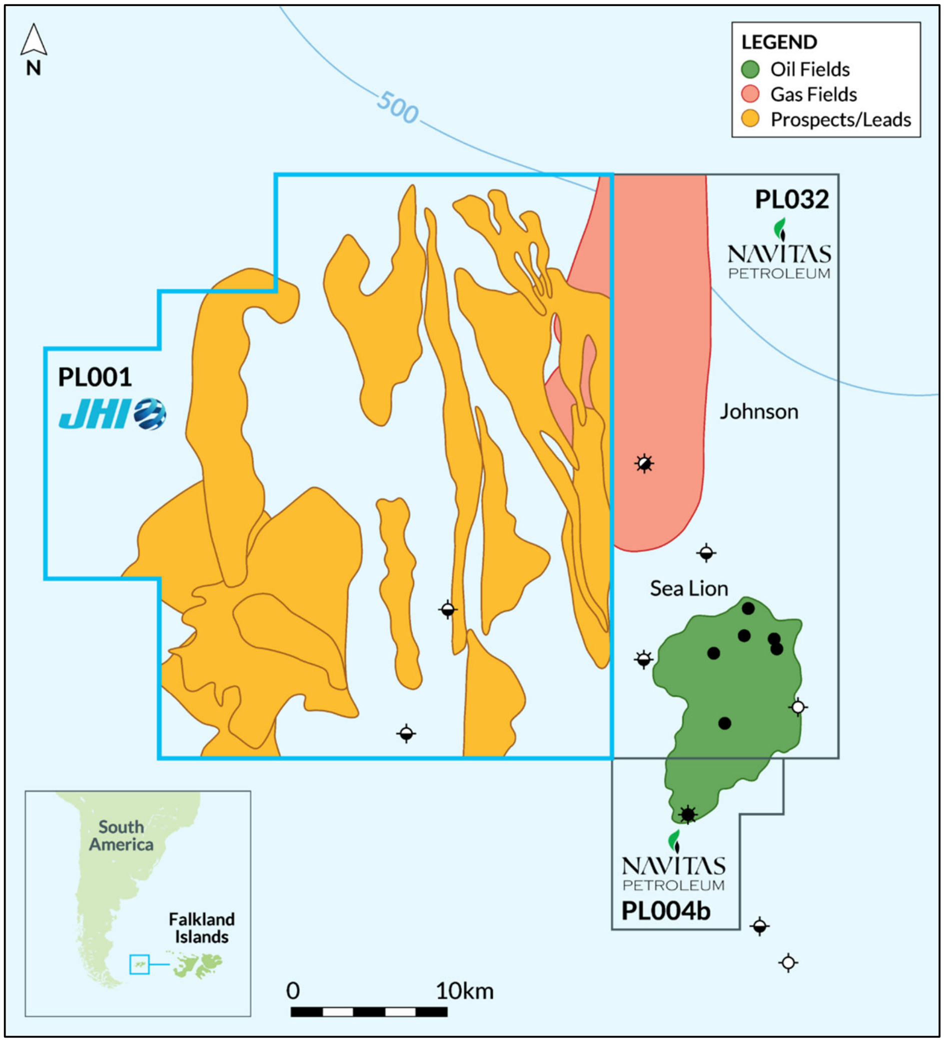
Offshore South Africa Block Outlines – combined area of 37,510km^2

Namibia Walvis Basin



Offshore Namibia Block Outlines – combined area of 28,593 km^2

Falkland Islands PL001



Offshore Falkland Islands Outlines - combined area of 1,126 km^2

GUYANA

Orinduik Block

Eco Atlantic was awarded the Orinduik Petroleum License in 2016, in partnership with Operator Tullow Oil. The Orinduik Block, covering 1,354 km², is located approximately 170 km offshore Guyana in the Suriname-Guyana Basin, adjacent to the prolific Stabroek Block. The block lies in water depths ranging from 70 to 1,400 meters.

In 2019, Eco Atlantic announced two significant oil discoveries on the Orinduik Block: Jethro-1 on August 12 and Joe-1 on September 16, both drilled by the Stena Forth drillship. Jethro-1 reached a depth of 4,400 meters in 1,350 meters of water and encountered 55 meters of net high-quality oil pay in Lower Tertiary sandstones. Joe-1, drilled in 780 meters of water to a depth of 2,175 meters, encountered 16 meters of continuous high-quality oil-bearing sandstone of Upper Tertiary age, with excellent porosity. Both wells confirmed recoverable oil resources, were drilled within budget using MWD and conventional wireline, and revealed high-permeability reservoirs. Fluid samples, taken by the then Operator Tullow Oil, from both wells confirmed mobile heavy crude with high sulphur content.

On August 10, 2023, Eco announced that its subsidiary, Eco Guyana Oil and Gas (Barbados) Limited, would acquire a 60% operated interest in the Orinduik Block via the purchase of Tullow Guyana B.V., with the deal involving both upfront and contingent payments. Approval for the transfer was granted by the Minister of Natural Resources on November 15, 2023. As Operator, Eco, through its subsidiary Eco Orinduik, elected to enter the Second Phase of the Second Renewal Period of the license, effective January 14, 2024, committing to drill one Cretaceous-targeted exploration well before the license expires on January 13, 2026.

Eco also confirmed that TOQAP Guyana B.V. (TotalEnergies and QatarEnergy JV) relinquished its 25% interest for strategic reasons. Following the Minister of Natural Resources of the Cooperative Republic of Guyana ("**MNR**") approval on October 31, 2024, Eco holds 100% of the Orinduik Block through its subsidiaries Eco Guyana (40%) and Eco Orinduik (60%).

On December 3, 2025, as part of Eco's Strategic Partnership with Navitas, the latter was granted the Orinduik Option to execute a FAO to farm-in to the Orinduik Block offshore Guyana such that, on exercise, Navitas will make a $2,500,000 payment to Eco and become the Operator of the block with an 80% WI, subject, inter alia, to customary government and regulatory approvals. Eco's remaining 20% WI will be carried in respect of the work to be performed in the Orinduik Block, which may include drilling the first exploration well or performing an appraisal programme over the existing Jethro-1 and Joe-1 heavy oil discoveries. The Orinduik carry is capped at $11m net to Eco and excludes mobilisation costs, if any.

On January 14, 2026, the Company announced that, together with Navitas, it is engaged in ongoing, constructive discussions with the MNR, Government of Guyana, regarding the continuation of Eco's appraisal and exploration programme on the Orinduik Block area. While the Orinduik licence reached the end of its second renewal term on 14 January 2026, the provisions under the Petroleum Act allow the Company to maintain rights to the Jethro-1 and Joe-1 discoveries pending approval of the submitted appraisal programme. To this effect, the MNR and Guyana Geology and Mines Commission are in receipt of the relevant joint submissions of a new PSA from Eco Atlantic and Navitas.

Eco and Navitas are currently in advanced Production Sharing Agreement (PSA) negotiations with Guyana's Ministry of Natural Resources regarding the new licence over the Orinduik Block area, which are expected to complete in Q3 2026.

JHI ASSOCIATES INC. ("JHI")

JHI is a private company incorporated in Ontario and headquartered in Toronto, Canada.

Canje Block, Guyana

Eco holds a 6.6% interest in JHI which holds a 17.5% WI in the 4,800km2 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 (35%), JHI (17.5%) and Mid-Atlantic Oil & Gas Inc. (12.5%). The license expired March 4, 2026 and JHI and its JV partners are in active discussion with the government of Guyana to extend or re-apply for a new PSA over the license.

PL001, North Falklands

PL001 is adjacent to the Navitas operated Sea Lion Development (Navitas, Operator (65%) and Rockhopper (35%)), which is reported to contain over 500 million barrels of recoverable oil, and covers 1,126km^2 in circa 500m water depth and contains significant exploration potential, with JHI's Best Estimate of 3.1 billion barrels across multiple prospects and leads, including multiple Lower Cretaceous prospects analogous to the Sea Lion field.

In September 2023, JHI completed an acquisition of 100% Operator interest in PL001 North Falklands Basin Licence. Since then, JHI has completed ADF® processing on 550 km^2 of high-quality 3D seismic over the Eastern Graben of PL001 with Apex Spectral Technology of Houston, Texas. This satisfies JHI's work program commitment to the Falkland Islands government for the current license period.

To date, approximately 40 prospects and leads have been identified across the licence area, with independent auditor NSAI having certified prospective resources exceeding 1.4 billion barrels of oil across 15 prospects alone. Several mapped prospects exhibit seismic characteristics analogous to the fan systems successfully discovered at the nearby Sea Lion field. Eco's net prospective resource attributable to its expected interest in PL001 is 490 million barrels of oil (mbbls)* (not including the proven Johnson Gas discovery).

On March 2, 2026, Navitas announced that it had agreed with JHI to farm-in for a 65% interest in PL001, pursuant to which JHI received a fully funded carry loan for an exploration well and potential appraisal well up to $14 million net to JHI, the benefit of which Eco will assume once it has completed its acquisition of JHI. The loan will be repaid from 85% of JHI's free cash flow from production from the PL001 licence, if production is established. This carry meaningfully reduces capital exposure while retaining material upside to drilling/exploration catalysts planned across the licence. Eco does not currently expect that it will be required to contribute further towards the expected exploration work program, including tests of the well.

Eco signed a binding agreement with JHI on March 10, 2026 to acquire the issued and to be issued shares of JHI not already held by Eco (the "**Acquisition**"). Eco has agreed to acquire all remaining JHI common shares ("**JHI Shares**") based on an exchange ratio of 0.7054 common shares in the capital of the Company ("**Common Shares**") for each JHI share (the "Exchange Ratio") (the "**Arrangement Agreement**").

This landmark acquisition complements Eco's existing Atlantic Margin portfolio in Namibia and South Africa, whilst adding to its exposure offshore Guyana. The Acquisition positions Eco at the forefront of one of the most compelling offshore growth stories globally, the North Falkland Basin, alongside intended operator and strategic partner Navitas.

On completion of the Acquisition ("**Closing**"), Eco will issue up to 96,307,812 new Common Shares such that up to approximately 21.8% of Eco's then issued share capital will be held by the shareholders of JHI. Upon Closing, JHI will have a cash balance of $1.0 million. Approximately 45% of the Common Shares to be issued to JHI shareholders will be subject to lock-up arrangements spanning 18 months following completion. Using the Company's TSX Venture Exchange closing share price of C$0.88 on March 10, 2026, the consideration issued to non-Eco holders implied a value of approximately C$84.8 million for the interests acquired ($62.5 million). Following approval by JHI shareholders, on May 18, 2026, the Company confirmed that JHI successfully obtained on May 15, 2026 the final order approval from the Ontario Superior Court of Justice (Commercial List), approving a court-approved plan of arrangement (the "**Arrangement**") as proposed. At JHI's annual and special meeting of shareholders held on May 12, 2026, 100% of the votes cast were in favour of the plan of Arrangement with Eco, further demonstrating an overwhelming alignment on the transaction.

Eco is awaiting final receipt of a five-year licence extension and approval of Navitas' operatorship of the PL001 licence from the Falkland Islands government.

SOUTH AFRICA

Following the relinquishment of offshore Block 2B, the Company currently holds an Exploration Right for offshore Block 3B/4B and an Exploration Right and Operatorship for offshore Block 1 CBK.

Block 3B/4B

Eco Atlantic, through its wholly owned subsidiary Azinam Limited owns a 5.25% WI of Block 3B/4B, located between 120-250 kms offshore western South Africa, directly south of the prolific multibillion barrels discoveries offshore Namibia. The block lies in water depths ranging from 300-2500m and covers an area of 17,581 km². The block is covered by 10,000 km² of GeoStreamer 3D seismic data acquired in 2012 and reprocessed between 2022–2024, as well as 1,400 km of multi-vintage 2D seismic.

On March 5, 2024, Eco (via Azinam) entered a FOA with TotalEnergies and QatarEnergy, as part of a broader 57% farm down with JV partners Meren SA Energy Corp., formerly Africa Oil SA Corp. ("**Meren**") and Ricocure. Under the FOA, TotalEnergies became operator of the block.

The FOA was completed on August 28, 2024, following South African regulatory approvals. Eco's WI was reduced to 6.25%.

The FOA consideration to the Company included:

- $8.1 million cash payments made up of:
    - $2.5 million (plus VAT) from TotalEnergies and QatarEnergy;
    - $1.6 million from Ricocure; and
    - $4.0 million from Meren.
- $13.5 million exploration costs carry covered by the JV partners (Eco's 6.25% share of $212m total gross carry)
- Further payments, up to $11.5m, will be payable by TotalEnergies, QatarEnergy and Meren subject to Environmental Impact Authorisation and spudding of the first exploration well.

Post-completion FOA JV interests:

- TotalEnergies (Operator): 33%
- QatarEnergy: 24%
- Meren: 17%
- Ricocure: 19.75%
- Eco (Azinam Limited): 6.25%

On July 29, 2024, Eco signed an agreement to sell a 1% interest in Block 3B/4B to Meren in exchange for cancellation of its 54,941,744 shares and 4,864,865 warrants in Eco (valued at ~C$11.3 million). This exchange transaction was completed on January 10, 2025, following all required regulatory and partner approvals.

As a result:

- Eco's interest in Block 3B/4B is now 5.25% and the exploration costs carry remains;
- Total outstanding share capital reduced to 315,231,936 shares and 48,541,666 warrants; and
- A board change was made in connection with the completion of the transaction.

Environmental Authorization was granted by the Department of Mineral Resources and Energy for the Republic of South Africa on September 16, 2024. The statutory notification and appeals process was conducted with the relevant regulatory authorities during the first quarter of 2025, and the Block JV is awaiting the Minister's final decision on the Environmental Authorisation.

The Department of Forestry, Fisheries and the Environment is currently addressing the implications of a recent Western Cape High Court decision which set aside an environmental Authorisation for offshore exploration activities in Block 5/6/7 held by an unrelated party. An application for leave to appeal this decision to the Supreme Court has been submitted by that party. These third-party proceedings have delayed the Minister's decision on the Block 3B/4B Environmental Authorisation, a delay which remains outside the Company's control. The Company, with legal and regulatory advisors and in coordination with Joint Venture partners, continues to maintain engagement with relevant stakeholders and awaits further direction from the Department of Mineral Resources and Energy.

In parallel, throughout 2025 and 2026, the JV has continued to advance the licence work programme and preparations for the drilling campaign, including selection of the initial drilling target, detailed well planning, and procurement of long-lead items in anticipation of drilling permit approval.

Block 1 CBK

On June 4, 2024, the Company signed a farm-in agreement to acquire a 75% WI and operatorship in Block 1, offshore South Africa in the Orange Basin, through its wholly owned subsidiary Azinam South Africa Limited (“**Azinam South Africa”)**.

The interest was acquired from Tosaco Energy (Proprietary) Limited ("Tosaco"), with formal approval of the Exploration Right and title transfer granted by the South African Department of Mineral and Petroleum Resources on June 4, 2025, completing the transaction.

As part of the agreed terms, Eco has:

- Paid $150,000 on signing (June 6, 2024);
- Paid $225,000 upon Section 11 approval (June 4, 2025);
- Committed $375,000 on delivery of a TSX-V/AIM-compliant Resource Report (pending over 3-year license term); and
- Agreed to carry the remaining 25% WI – Tosaco, a B-BBEE-rated South African entity—through the initial three-year work program, capped at $2.3 million.

Block 1 spans 19,929 km² and is strategically positioned along the South Africa–Namibia maritime border, covering approximately 174 km of shoreline and extending 263 km offshore in water depths up to 1,000 metres. The block lies adjacent to several world-class hydrocarbon discoveries, including Venus (TotalEnergies), Graff and La Rona (Shell), Mopane (Galp Energia), Capricornus-1X (Rhino Resources), and the historic Kudu Gas Field.

Eco acquired an extensive subsurface data set from the Petroleum Agency of South Africa (“PASA”) which includes over 20,000 line kilometres of 2D seismic data, two 3D seismic surveys covering a combined 3,500 km² (2,000 km² and 1,500 km²), and well logs from three historical exploration wells drilled on the block:

  - **AF-1**: Confirmed gas discovery with tested flow rates of 32.4 MMscfd
  - **AE-1**: Encountered gas shows and oil indications
  - **AO-1**: Provided key stratigraphic data and reservoir markers

This high-quality legacy data set provides full margin transect coverage from shallow shelf to deepwater environments and confirms the presence of an active petroleum system across the block. Eco's technical team has commenced interpretation of the seismic and well data to delineate early leads and define the forward exploration strategy. No field activity is currently planned that requires environmental permitting.

In honour of the late Colin Brent Kinley, Eco Atlantic's Co-Founder and former Chief Operating Officer, who passed away on November 5, 2025, Azinam South Africa, the Operator of Exploration Right 12/3/362, in agreement with its Joint Venture Partner renamed Block 1 Offshore South Africa to “**Block 1 CBK**” effective 17 November 2025.

On 19 November 2025, PASA granted the Assignment and Transfer of a 25% participating interest from Tosaco Energy (Pty) Ltd to OrangeBasin Energies, a B-BBEE-rated South African entity.

On December 3, 2025, as part of Eco's Strategic Partnership with Navitas, the latter was granted the Block 1 CBK Option agreement to execute a FOA to farm-in to Block 1 CBK offshore South Africa such that, on exercise, Navitas would make a $4,000,000 payment to Eco and become the Operator of the block with up to 47.5% WI, subject, *inter alia*, to customary government and regulatory approvals. Eco's remaining WI, amounting up to 47.5% assuming the exercise of the option with OrangeBasin Energies referenced below, would be carried for the work programme, the value of the carry being capped at $7.5m net to Eco.

On December 3, 2025 Eco through its subsidiary Azinam South Africa Limited ("**Azinam SA**") signed an exclusive option agreement with its local partner OrangeBasin Energies to acquire a further 20% participating interest in Block 1 CBK for a cash and shares consideration as set out below. Under the Block 1 CBK Option, Navitas has the right to acquire 50% of this option, which is exercisable at Eco's and Navitas' mutual consent at any point throughout the term of the initial exploration period expiring in February 2028. More details can be found in the Block 1 CBK Section below.

Under the Block 1 CBK Option, if exercised in full by Eco, OrangeBasin Energies will receive $500,000 cash on exercise, and $500,000 cash on completion, and a further $3,800,000 on completion which Eco will have the right to settle in cash or Common Shares at the Company's sole discretion. The number of Common Shares to be issued will be calculated by reference to the prevailing share price at the time of exercise. As part of the agreement, if Navitas elected to participate in such option, Navitas would reimburse Eco for its proportion of the exercise cost. If exercised (in part or in whole) with shares, Navitas will be subject to a lock up agreement period of 6 months. On completion, OrangeBasin Energies' remaining 5% retained interest will be carried by Eco and Navitas for the exploration right period including drilling up to 2 contingent exploration wells.

Navitas, following a review of geological data, elected to exercise the Block 1 CBK Option through the execution of a definitive FOA on May 19, 2026. The Agreement is conditional on receipt of customary regulatory approvals, from the PASA and the TSX Venture Exchange and receipt of $4.0 million cash payment from Navitas to Eco. Upon completion, Navitas will become the Operator of Block 1 CBK with 37.5% WI (and up to 47.5% pending exercise of the Eco-OrangeBasin Energies option).

The resulting ownership structure is therefore expected to be as follows:

Scenario	**Eco**	**Navitas**	**OrangeBasin Energies**
Current pre-completion position	75.0%	0.0%	25.0%
Following completion of the Agreement	37.5%	37.5%	25.0%
If the Block 1 CBK Option is exercised in full and Navitas acquires 50% of the additional interest	47.5%	47.5%	5.0%

NAMIBIA

Eco holds an 85% Operating Interest in four licenses in the Walvis Basin, Offshore Namibia: PEL097, Block 2012A 'Cooper License', PEL098, Block 2213 'Sharon License', PEL099, Blocks 2111B & 2211A 'Guy License' and PEL100, Blocks 2211B & 2311A 'Tamar License'.

All four licenses received final government approval on February 3, 2021 for an initial 10-year term.

On August 27, 2025, the Ministry of Industries, Mines and Energy of the Republic of Namibia approved a 12-month extension to the First Renewal Exploration Period for all four licenses under Section 30 (2A) of the Petroleum (Exploration and Production). The revised expiry date is August 26, 2026.

The approved licence framework includes: a one-year extension to the Initial Exploration Period for PELs 97, 98, 99, and 100; an optional two-year First Renewal Period; an optional additional one-year extension to the First Renewal Period; and an optional two-year Second Renewal Period thereafter. This extended schedule provides additional time to conduct exploration activities and secure new farm-in partners.

Eco has executed deeds of amendment securing extensions across all four licenses. The Company has also agreed to farm out its 85% WI in the Sharon Block to Lamda Energy (Pty) Ltd ("**Lamda Energy**"). More details on this can be found in the relevant section below.

The updated and approved Work Programmes include on PEL 97 3D seismic reprocessing, and a ~1000 km^2 3D seismic survey and processing on each of PEL 99 and 100. An Environmental Clearance Certificate, issued on June 15, 2025 by the Ministry of Environment, Forestry and Tourism, authorizes Eco to undertake the planned seismic activities across its licenses in the deepwater Walvis Basin offshore Namibia. These developments position the Company to advance exploration in deeper-water acreage while supporting increased Namibian participation in the sector.

On April 13, 2026, the Company announced it had signed a Farmout Agreement (**"FOA"**) on April 10, 2026 to farm down 60% Participating interest ("**PI**") in all three of its Licenses offshore Namibia to BP Namibia Energy Ltd, a wholly owned subsidiary of BP Exploration Operating Company Limited ("**BP**") (the "**BP Agreement**").

The BP Agreement, pursuant to which wholly owned subsidiaries of Eco: Azinam Group Limited, Eco Oil & Gas Namibia (Proprietary) Limited ("**Eco Namibia**") and Eco Oil & Gas Services (Proprietary) Limited ("**Eco Services**") will farm out an aggregate of 60% Participating Interest and transfer Operatorship to BP in respect of the Block 2012A PEL97 ("**Cooper License**"), Blocks 2111B and 2211A PEL99 ("**Guy License**") and Blocks 2211B and 2311A PEL100 ("**Tamar License**") (the "**Transaction**").

Upon successful completion of the Transaction, Eco through its wholly owned subsidiaries **Eco Namibia** and **Eco Services** will retain a 25% interest in PEL97, PEL99 and PEL100 ("**Eco's 25% Retained PI**"). Completion of the Transaction is subject to customary conditions and approvals from the Namibian authorities, Ministry of Industries Mines and Energy and Upstream Petroleum Unit at the State House.

Transactions Highlights:

- A one-time cash consideration of $2.7 million payable at Transaction completion.

- BP will carry 100% of Eco's 25% Retained PI as well as Eco's proportionate share of the NAMCOR (10%) and the Local Partners (5%) PI Carry on PEL97, PEL99 and PEL100 against the current exploration phase.

- The proposed exploration work program (which is subject to requisite government approval), includes; completing seismic reprocessing on PEL97 and carrying out a 3D Seismic Survey of at least 3,000km^2 on PEL99 and PEL100.

- If BP and partners elect to enter the Second Renewal Period of the license term in 2028 and commit to drilling an exploration well, Eco will have the option to either (i) exercise a Put Option to transfer an additional 10% PI to BP in exchange for a full carry on Eco's remaining 15% PI subject to a cap of $21 million net to Eco for each well on each of the licenses (PEL97, PEL99, and PEL100); or (ii) elect to retain its 25% PI of the costs associated with such drilling of a well during the Second Renewal Period.

- The maximum aggregate Carry consideration payable by BP in respect of each Put Option (should all Put Options namely on PEL97, PEL99, and PEL100 be exercised) is $63 million with a cap of $21 million per Put Option.

- Eco can elect to retain its 25% paying interest and/or to farm out to other potential partners (subject to such partners meeting technical and financial qualifications).

- The Transaction is subject to all customary approvals being obtained from the Government of Namibia in relation to the transfer of PI and transfer of Operatorship to BP and acceptance by the TSXV.

- The Transaction constitutes an arm's length transaction for purposes of TSXV policies. No finder's fees are payable in connection with the Transaction. No insiders of the Company have any interest in the Transaction.

PEL097 – Cooper License

The Cooper License covers approximately 5,788 km^2 and is located in Block 2012A offshore in the economical waters of Namibia (the "**Cooper Block**"). The Company holds an 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 carries NAMCOR and Tangi's WI during the exploration period.

The Company has a license to 1,450 line km of 2D seismic and acquired an 1,100 km^2 3D seismic survey which has been processed and interpreted hosting a defined Cretaceous Stratigraphic Trap drilling prospect ("**Osprey**").

An Environmental Clearance Certificate, issued on June 15, 2025 by the Ministry of Environment, Forestry and Tourism, authorises Eco to undertake the planned seismic activities across PEL097.

PEL098 – Sharon License

The Sharon License covers approximately 5,700 km2 and is located in the "Sharon Block. The Company holds an 85% WI in the Sharon License, NAMCOR holds a 10% WI and Titan Oil and Gas (Pty) Ltd ("Titan") holds a 5% WI. The Company proportionally carries NAMCOR and Titan's WI during the exploration period.

The Company has a license to 3,692 line km of existing 2D seismic data in Sharon Block. The Sharon Block possesses multiple structural and stratigraphic style traps.

As Eco shifts its geological focus to deeper proven plays in Namibia, on September 15, 2025 the Company executed a FOA to sell its entire 85% Participating Interest in the shallower PEL 98 Block 2213 to Lamda Energy, pending government approval (the "Sharon Farm-Out" or the "Sharon Farm-Out Agreement").

Lamda Energy is a privately owned and operated offshore oil and gas company with an experienced operating team. Lamda Energy will become a wholly Namibian-owned qualified offshore Operator upon customary regulatory and government approval. This Sharon Farm-Out aligns with Eco's longstanding commitment to advancing local participation and partnerships in Namibia's oil and gas sector.

Under the terms of the Sharon Farm-Out Agreement, Lamda Energy will make an up-front payment to Eco for administrative costs, and, on completion, will assume all obligations and liabilities associated to PEL 98. In addition, in the event of a future farm-out by Lamda Energy to a third party, Lamda Energy will be required to make certain payments to Eco at a fixed quantum per percentage interest farmed out, up to a maximum of $2 million.

Eco will remain closely engaged with Lamda Energy to support a comprehensive transition and knowledge transfer ensuring a smooth and responsible handover. This marks a significant milestone in building local capacity and advancing inclusive energy development.

Eco received formal Ministerial approval from the Ministry of Industries, Mines and Energy of Namibia on June 29, 2026 for the Section 11 assignment of its 85% participating interest in PEL 98 to Lamda Energy. The Ministerial approval represents the final governmental consent required under Section 11 of Namibia's Petroleum (Exploration and Production) Act for the assignment of Eco's interest in PEL 98 to Lamda Energy. Following receipt of this final Ministerial approval, the parties are now completing the remaining transaction documentation, with completion of the Sharon Farm-Out expected shortly.

PEL099 – Guy License

The Guy License covers 11,457 km2 and is located in Blocks 2111B and 2211A offshore in the economical waters of Namibia (the "Guy Block"). The Company holds an 85% WI in the Guy License, NAMCOR holds a 10% WI and Lotus Explorations (Pty) Ltd ("Lotus") holds a 5% WI. The Company proportionally carries NAMCOR and Lotus' WI during the exploration period.

The Company has licensed access to 473 km line of Western Seismic 2D data acquired in 2012, 1,012 line km of 2D seismic shot by PGS in 2014 and an 870 km2 3D seismic survey on the Guy Block. The block covers a portion of the deepest part of the basin and look-alike Venus and Graff leads above the Albian unconformity have been identified. These leads are within the block with possible extensions into the Tamar Block. In addition, a number of channels and fans have been identified as leads to be matured.

On 13 December 2024 the Ministry of Fisheries and Marine Resources recommended an Environmental Clearance Certificate be issued for the proposed 2D / 3D Seismic Survey over PEL099.

An Environmental Clearance Certificate, issued on June 15, 2025 by the Ministry of Environment, Forestry and Tourism, authorises Eco to undertake the planned seismic activities across PEL099.

PEL100 – Tamar License

The Tamar License covers approximately 5,649 km2 and is located in Block 2211B and Block 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 carries NAMCOR and Moonshades' WI during the exploration period. This block is in deep water with a setting that is similar to Venus. As in the Guy Block, a number of channels and fans have been identified with geobodies characteristic of stratigraphic oil plays.

In August 2024, the Company purchased the license to 1,324 km of existing 2D seismic survey in the Tamar Block area, which is being technically evaluated and interpreted by the team to define additional seismic acquisition areas with the Tamar Block along with new leases and prospects.

On December 13, 2024 the Ministry of Fisheries and Marine Resources recommended Environmental Clearance Certificate for proposed 2D / 3D Seismic Survey over PEL100.

An Environmental Clearance Certificate, issued on June 15, 2025 by the Ministry of Environment, Forestry and Tourism, authorises Eco to undertake the planned seismic activities across PEL100.

Environmental, Social and Governance ("ESG")

In October 2022, Eco Atlantic underwent a comprehensive review of its ESG practices across all aspects of the business, conducted by Magnolia Consulting. A stakeholder materiality assessment, industry guidance review and peer reviews identified the key areas of focus for Eco's ESG Strategy and aligned Eco's Social Investment projects ambitions to the United Nations Social Development Goals.

Eco focuses its efforts on the significant social, economic, and environmental impacts that the Company, and the energy industry in general, can have in the countries where it operates. This approach helps position Eco as a strategically resilient business – one that delivers value for our host nations, stakeholders, and investors.

Through engagement with its stakeholders, Eco Atlantic considers its ESG priorities as:

- Climate change
- Community engagement
- Environmental management
- Governance
- Safety
- Social & economic development

Eco is committed to conducting its business in a safe and efficient manner that minimizes our environmental impacts while ensuring a safe and secure working environment for our staff, contractors and other stakeholders. Adhering to strong ESG principles is fundamental to the delivery of its strategy and solid business results.

The Company aims to meet the highest standards of ESG practices across all aspects of its business. The Company is committed to the countries where it operates – promoting sustainable growth and support for nearby communities. Eco operates as a responsible custodian in compliance with the applicable environmental laws and regulations of the countries in which it operates. This commitment informs every aspect of the business, including how it researches, plans and designs new exploration projects, operates its portfolio, collaborates with stakeholders and reports progress.

As a result of the review, Eco's board adopted company policies for ESG; Health and safety; Environmental management; and Sustainable relationships. These policies are reviewed annually, signed by the board, and are publicly available on the Company's website page *ESG principles and policies*.

Environmental Stewardship

Eco Atlantic recognises that oil and gas activities may result in an impact to the environment in its areas of operation. The Company strives to minimise environmental impacts across the full life cycle of its exploration operations and corporate operations.

- The Company incorporates its environmental policy into its management systems, measures their effectiveness and operates under a principle of continuous improvement.
- The Company obtains and maintains all the necessary permits and licenses for its activities.
- The Company consults with its stakeholders on environmental issues that may affect them.

Responsibility

Eco wishes to develop sustainable long-term relationships in the communities in which it operates.

A growing energy sector can benefit local economies through the creation of direct work opportunities in the industry. More significantly, the sector can have the indirect impact of increasing employment, revenue and support for infrastructure development, education, lodging and restaurants.

In this context, Eco demonstrates its commitment through its decade-old social responsibility programmes, focusing on education and skills development.

Eco has built a strong track record of fostering in-country relationships and advancing its ESG commitments across its portfolio. For more than a decade, the Company has implemented early-stage social responsibility programmes focused on education in both Namibia and Guyana, reflecting a long-standing commitment to supporting sustainable development in its host jurisdictions.

In South Africa, Eco launched a dedicated community-focused initiative in 2022 in collaboration with local stakeholders, which was further expanded in 2024 and 2025 to deepen its impact and broaden local participation.

Across all jurisdictions, Eco's approach is underpinned by a focus on local content development, community partnership, and responsible stewardship, ensuring that its operations contribute meaningfully to socio-economic growth and long-term value creation in the regions where it operates.

Environmental Regulation

Eco Atlantic's activities may be subject to environmental regulations, which may cover a wide variety of matters. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

At this time, the Company does not believe that any provision for such costs is currently required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

Financial position

The Company's current operations are focused on South Africa, Guyana, and Namibia.

As at March 31, 2026, the Company had total assets of $30,681,296 and a net equity position of $17,782,707. This compares with total assets of $21,563,403 and a net equity position of $20,384,618 as at March 31, 2025. The Company had current liabilities of $2,099,596 as at March 31, 2026, as compared with $1,178,785 as at March 31, 2025.

As at March 31, 2026, the Company had working capital of $8,858,006 compared to working capital of $3,937,344 as at March 31, 2025. The Company had cash on hand of $10,754,585 as at March 31, 2026, compared with $4,726,152 as at March 31, 2025, and short-term investments of $71,939 at March 31, 2026 compared with $69,676 as at March 31, 2025.

Summarised Financial Information (in US Dollars)

	Year ended March 31, 2026	2025
Operating expenses :		
Compensation costs	$ **1 630 983**	$ 1 230 813
Professional fees	**1 023 219**	540 221
Operating costs	**2 880 601**	2 816 892
Impairment of Sharon license	**1 533 257**	
Income from option grant	**(2 000 000)**	
Gain on Farm out		(3 395 582)
General and administrative costs	**1 060 919**	708 805
Share-based compensation	**633 937**	426 897
Interest income	**(37 795)**	(92 074)
Foreign exchange gain (loss)	**248 207**	41 577
Total operating expenses	**$ 6 973 328**	**$ 2 277 549**
Operating profit (loss)	**(6 973 328)**	**(2 277 549)**

Exploration and evaluation assets and expenditures

For oil and gas prospects not commercially viable and financially feasible, the Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities. Exploration and evaluation expenditures associated with a business combination or asset acquisition are capitalized.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Interest income

During the year ended March 31, 2026, the Company earned interest of $37,795 from funds invested in interest bearing deposits with financial institutions, as compared with $92,074 earned during the year ended March 31, 2025.

The decrease in interest earned during each period reflects the decrease in average cash balances during the period as the Company used its cash reserves to finance its operations and a decrease in interest rates during the period.

Expenses

As operator of some of its petroleum exploration licenses, the Company bills certain partners for their respective share in certain compensation, operating and administrative expenses on certain of our licenses.

Operating costs

Operating costs include amounts spent on data acquisition, technical consulting and analysis, incurred in connection with the Company's oil and gas licenses.

During the year ended March 31, 2026, the Company incurred net operating costs of $2,880,601 as compared to net operating costs of $2,816,892 for the year ended March 31, 2025.

The amount spent in both periods reflects the operating activities on the licenses during the last two years.

Other income/expenses

During the year ended March 31, 2026 the Company recorded an impairment of $1553,257on the Sharon license as a result of the Sharon Farm-out Agreement. In addition, the Company recorded income of $2,000,000 from the Navitas Agreement.

During the year ended March 31, 2025, the company recorded a gain of $3,395,582 from the farm-out of Block 3b/4b. No gain and/or loss was recorded during the year ended 31 March 2026.

Compensation costs

Compensation costs represent amounts paid by the Company for compensation to certain members of management. It further includes compensation paid to certain of the Company's directors for their services as directors.

During the year ended March 31, 2026, the Company incurred compensation costs of $1,630,983 as compared to $1,230,813 for the year ended March 31, 2025.

Compensation costs increased in the current period reflecting expanded operational activity and associated remuneration requirements.

The increase in compensation costs reflects the growth of the Company's operations following significant strategic transactions completed during the period. The expansion of the Company's asset base and activities across multiple jurisdictions requires additional operational, technical and corporate personnel which the Company continues to hire, including subsequent to March 31, 22026. Such expansion includes a South Africa country manager and senior geologists to support Namibia, South African and Falkland operations.

Professional fees

Professional fees represent amounts paid by the Company for professional fees provided to the Company by independent service providers.

During the year ended March 31, 2026, the Company incurred professional fees of $1,023,219 compared to $540,221 for the year ended March 31, 2025.

Professional fees increased in the current period due to higher external advisory and consulting requirements associated the significant transactions concluded by the company during the year ended December 31, 2026.

General and administrative costs

General and administrative costs include public company charges, travel and entertainment, occupancy and general office expenditures for the Company's head office in Toronto and its regional office in Guyana, Namibia and South Africa.

During the year ended March 31, 2026, the Company incurred net general and administrative costs of $1,060,919 as compared to $708,805 during the year ended March 31, 2025.

General and administrative costs increased during 2026 as compared to 2025, primarily due to an increase in expenditure on the PR and investor relations services.

Share based compensation

The share-based compensation expense reflects the fair value and vesting schedule of Restricted Share Units ("**RSUs**") and stock options granted to directors, officers, employees and consultants of the Company.

During the year ended March 31, 2026, share based compensation amounted to $633,937 as compared to $426,897 for the year ended March 31, 2025.

The amount in 2026 and 2025 relates primarily to RSUs and stock options issued and vested over the last two years.

Foreign exchange

The foreign exchange movement during the year ended March 31, 2026, reflects the movements of the Canadian dollar, British Pound, Euro and Namibian dollar relative to the US Dollar. The Company's cash and cash equivalents and short-term investments are held primarily in US Dollars, but the Company also holds funds in Canadian dollars, British Pounds and Euros.

Summary of Quarterly Results

	Quarter Ended			
	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25
Income	$ 19,673	$ 2,000,026	$ 2,116	$ 15,980
Net profit (loss) for the period	$ (5,202,724)	$ 903,264	$ (1,654,814)	$ (1,555,297)
Basic profit (loss) per share	$ (0.016)	$ 0.003	$ (0.005)	$ (0.005)

	Quarter Ended			
	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
Income	$ 32,482	$ 52,081	$ 4,300	$ 3,211
Net loss for the period	$ 1,395,134	$ (913,230)	$ (1,632,394)	$ (1,127,059)
Basic loss per share	$ 0.004	$ (0.002)	$ (0.004)	$ (0.003)

Additional Disclosure for Venture Issuers Without Significant Revenue

	Year ended March 31,	
	2026	2025
General and administrative expenses		
Occupancy and office expenses	**$ 42 032**	$ 47 383
Travel expenses	**127 635**	165 416
Public company costs	**808 213**	437 859
Insurance	**70 853**	47 848
Financial services	**12 186**	10 299
	$ 1 060 919	$ 708 805

Liquidity and Capital Resources

The consolidated financial statements have been prepared on a going concern basis whereby the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for the consolidated financial statements, then adjustments of a material nature would be necessary in the carrying value of assets such as petroleum and natural gas licenses, liabilities, the reported expenses, and the balance sheet classifications used. Management continues to pursue financing opportunities for the Company to ensure that it will have sufficient cash to carry out its planned exploration program beyond the next year.

During the year ended March 31, 2026, the Company's overall position of cash and cash equivalents increased by $6,068,822, excluding forex differences. This increase in cash can be attributed to the following activities:

1) The Company's net cash used in operating activities during the year ended March 31, 2026 was $3,696,100 as compared to $5,518,161 for the year ended March 31, 2025. The reduced cash spend in 2026 relates primarily to the $2 million received in respect of the strategic partnership with Navitas.
2) Cash used in investing activities for the year ended March 31, 2026 was $377,263 as compared to cash generated of $7,236,010 for the year ended March 31, 2025. The amount spent in 2026 relates to the acquisition of Block 1 and the amount generated in 2025 relates primarily to the proceeds received from the farm-out of Block 3B/4B, offset by the acquisition costs for Block 1.
3) Cash generated from financing activities for the year ended March 31, 2026 was $10,142,185 as compared to $nil for the year ended March 31, 2025. The amount in 2026 relates to private placement of shares and warrants.

As discussed above, the Company is required to undertake specific exploration activities on each of the Company's licenses during each phase of development. (See "Overview of Operations" for information on the Company's commitments.)

The Company is continually engaged in the exploration and development of the licenses in order to assess the existence of commercially exploitable quantities of oil and gas and to determine if additional resources should be allocated to these licenses as per the work program commitments set out herein. The Company has completed the minimum exploration work required to date for each of its material licenses.

The Company has no revenue producing operations and continues to manage its costs, focusing on its higher potential licenses as described above. It may seek funding in the capital markets and may seek to pursue additional joint venture and farm-in opportunities with other suitable companies having access to capital, in order to meet its exploratory commitments and development strategy. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company.

Common Shares, Options, RSUs and Warrants (as of July 22, 2026)

Common shares	349,709,027
Options issued to directors, officers and consultants	14,947,500
RSUs granted to directors, officers and consultants	6,537,500
Warrants	26,909,091
Common shares outstanding on a fully diluted basis	398,103,118

Off-Balance Sheet Agreements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its results of operations or financial condition, including, and without limitation, such consolidations as liquidity, capital expenditure and capital resources that would be considered material to investors.

Contractual Commitments

Licenses

The Company is committed to meeting all of the conditions of its licenses including annual lease renewal or extension fees as needed.

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

Financial Instruments and Financial Risk Exposures

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and the warrant liability. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Management understands that the Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates as a portion of the Company's transactions occur in Canadian Dollars, Euros and British pounds, and the Company's functional and presentation currency is the US dollar. The Company does not use derivative instruments to reduce its exposure to foreign currency risk

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 harmonized 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.

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 March 31, 2026, the Company had working capital of $8,858,006 (March 31, 2025 – working capital of $3,937,345). 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	$ 2 099 596	$ 2 099 596	$ 2 099 596
	$ 2 099 596	**$ 2 099 596**	**$ 2 099 596**

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 March 31, 2026 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 equivalents are also held in US dollars; therefore, the Company's 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.

e) Fair value

The carrying amounts of cash and cash equivalents, short-term investments, government receivable, accounts receivable, amounts owing by license partners, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these financial instruments.

The Company's financial instruments measured at fair value were classified as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Warrant liability	$ -	$ -	$ 10,798,993	$ 10,798,993

As at March 31, 2025, the Company did not have any financial instruments measured at fair value. There were no transfers between levels of the fair value hierarchy during the years ended March 31, 2026 and 2025.

The warrant liability is measured using the Black-Scholes option pricing model and is classified within Level 3 because the valuation incorporates significant unobservable inputs, principally expected share-price volatility.

The following table presents the sensitivity of the warrant liability to reasonably possible changes in the significant valuation inputs at March 31, 2026. Each change has been applied independently, with all other inputs held constant. An increase in the warrant liability would result in an equivalent loss, and a decrease in the warrant liability would result in an equivalent gain, in the consolidated statement of operations and comprehensive loss.

Change in input		
10% Share price increase/decrease	$	1,650,000
5% Expected volatility increase/decrease	$	425,000

The sensitivity analysis is illustrative and does not represent management's expectation of future changes. Changes in more than one input may be correlated, and the combined effect may differ from the sum of the individual sensitivities presented above.

Transactions between Related Parties and Balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's directors and senior management (CEO, CFO, COO and VP Business Development & Corporate Affairs), who are considered to be key management personnel by the Company.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Fees for management services and operating costs paid to directors and officers or private companies which are controlled by directors or officers of the Company were as follows:

The following are the expenses incurred with related parties for years ended March 31, 2026 and 2025 and the balances owing as of March 31, 2026 and 2025:

March 31, 2026:

	Directors Fees	Bonus	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at March 31, 2026
Executive Directors							
Gil Holzman - CEO	-	396,000	508,522	140,737	42,779	1,088,038	289,315
Colin Kinley - COO (*)	-	-	179,661	140,737	42,779	363,177	-
Gadi Levin - CFO (**)	-	72,000	144,000	58,640	17,826	292,466	90,229
Alice Carroll (***)	-	144,738	224,967	58,640	17,826	446,171	40,095
Non Executive Directors							-
Peter Nicol	36,422	-	-	-	17,826	54,248	9,004
Keith Hill	22,190	-	-	-	10,695	32,885	5,503
Alan Friedman	36,955	-	-	-	10,695	47,650	6,910
Selma Usiku (***)	24,386	-	-	-	10,695	35,081	2,074
Emily Ferguson	54,002	-	10,639	35,185	10,695	110,521	10,625
Officers							-
Alan Rootenberg - CFO (**)	-		4,470	-	-	4,470	678
Kinley Exploration LLC, a company controlled by the COO (*)	-		308,238	-	-	308,238	18,133
Total	**173,955**	**612,738**	**1,380,497**	**433,939**	**181,816**	**2,782,945**	**472,566**

(*) Colin Kinley ceased to be a director on November 11, 2025

(**) Gadi Levin replaced Alan Rooteneberg as the CFO on September 1, 2025 and ceased to be a director on March 27, 2026

(***) Alice Carroll and Selma Usiku ceased to be directors on March 27, 2026.

<u>March 31, 2025:</u>

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at March 31, 2025
Executive Directors						
Gil Holzman - CEO	$ -	$ 488 168	$ 38 293	$ 66 059	$ 592 520	$ 25 240
Colin Kinley - COO	-	395 000	38 293	66 059	499 352	32 917
Gadi Levin - Financial Director	-	133 800	15 955	27 525	177 280	12 000
Alice Carroll	-	161 098	15 955	27 525	204 578	16 362
Non Executive Directors						
Keith Hill	21 888	-	-	16 515	38 403	5 330
Peter Nicol	34 972	-	-	27 525	62 497	8 809
Alan Friedman	36 585		-	16 515	53 100	4 803
Selma Usiku	-	17 859	-	16 515	34 374	1 085
Emily Ferguson	12 000	-	9 573	16 515	38 088	12 000
Officers						
Alan Rootenberg - CFO	-	11 400	-	-	11 400	2 147
Kinley Exploration LLC, a company controlled by the COO	-	397 996	-	-	397 996	27 808
Total	**$ 105 445**	**$ 1 605 321**	**$ 118 069**	**$ 280 753**	**$ 2 109 588**	**$ 148 501**

Critical Accounting Estimates

The Company's critical accounting estimates are defined as those estimates that have a significant impact on the portrayal of its financial position and operations and that require management to make judgments, assumptions and estimates in the application of IFRS. Judgments, assumptions and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur and additional information is obtained, these judgments, assumptions and estimates may be subject to change. The Company believes the following are the critical accounting estimates used in the preparation of its consolidated financial statements. The Company's material accounting policies can be found in Note 3 of the Company's consolidated Financial Statements.

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. In determining the recoverable amount of the Sharon License, management estimated its fair value less costs of disposal based primarily on the consideration expected to be recovered under the Sharon Farm-out Agreement. This estimate requires judgement regarding the completion of the transaction, the recoverability of the contractual amounts and the value, if any, attributable to contingent future payments; changes in these assumptions could result in a materially different recoverable amount and impairment loss.

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. 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 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 FVTPL. During the year ended March 31, 2024, the Company identified objective evidence of impairment relating to its investment in JHI and recognized an impairment loss. During the year ended March 31, 2026, the execution of the JHI Agreement provided objective evidence that the recoverable amount of the investment had increased, and the Company recognized a reversal of the previously recorded impairment loss. In estimating the recoverable amount, management used the implied equity value of JHI based on the number of the Company's Common Shares to be issued under the JHI Agreement, the market price of those shares on the agreement date, and the proportion of JHI not already owned by the Company. The estimate is sensitive to changes in the Company's share price, the assumed value of the consideration and the allocation of JHI's implied equity value to the Company's existing interest.

iii) Stock-based Compensation and fair value of warrant liability

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 and to value the warrants classified as liabilities. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield, risk free rate, estimated forfeitures and expected term.

iv) Going concern

The Company regularly reviews and makes assessments of its ability to continue as a going concern. This assessment relies on significant judgements and assumptions, taking into account known future information, including whether events or conditions create material uncertainties that may cast significant doubt on the ability to continue as a going concern.

In assessing the Company's ability to continue as a going concern, management applied judgement as to the Company's ability, and has reasonable expectation it will be able to fund operating and contractual service requirements for the next 12 months.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

1) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and
2) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information relating to the Company, the Company's quarterly and annual consolidated financial statements, annual information form, technical reports and other disclosure documents, are available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedarplus.ca and on its website at www.ecooilandgas.com.

Cautionary Note Regarding Forward-Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to herein as "forward-looking statements") that involve risks and uncertainties. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. 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".

In making such forward-looking statements, the Company has made assumptions regarding, amongst other things, 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 timelines; 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. 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; as well as those factors discussed in the section entitled "Risks and Uncertainties " in this MD&A. 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 date of this MD&A or as of the date specified in such statement and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.