ECO (ATLANTIC) OIL & GAS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTH PERIOD ENDED

September 30, 2022

Expressed in US Dollars

Prepared by:

ECO (ATLANTIC) OIL & GAS LTD.

7 Coulson Avenue

Toronto, ON, Canada, M4V 1Y3

November 28, 2022

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**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month period ended September 30, 2022. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2022, together with the notes thereto, as well as the Company's unaudited condensed consolidated interim financial statements for three and six month period ended September 30, 2022 (the "**Financial Statements**"). These documents have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board. 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". Further information about the Company and its operations can be obtained from the offices of the Company or at www.ecooilandgas.com. **All amounts are reported in US dollars**, unless otherwise noted. This MD&A has been prepared as at November 28, 2022.

Forward Looking Information

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

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 operates in the Republic of Guyana ("**Guyana**"), the Republic of South Africa ("**South Africa**") and the Republic of Namibia ("**Namibia**").

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

Overview of Operations

Oil and Gas exploration

Eco (Atlantic) Guyana Inc. ("**Eco Guyana**"), the Company's wholly owned subsidiary, currently holds a 15% interest in the Orinduik Block offshore Guyana governed by a petroleum agreement between the Company, the Government of Guyana, Tullow Guyana B.V. and TOQAP Guyana B.V. (the "**Orinduik License**").

Effective June 28, 2021 and following a second investment in January 2022, the Company became the indirect owner of an interest in the Canje Block offshore Guyana (the "**Canje Block**") through the acquisition of a 7.35% interest (and up to 11.4% on a fully diluted basis) in JHI Associates Inc. ("**JHI**"), a private company incorporated in Ontario and headquartered in Toronto, Canada. The Canje Block is operated by ExxonMobil and is held by Working Interest ("**WI**") partners Esso Exploration & Production Guyana Limited (35%), TotalEnergies E&P Guyana B.V. (35%), JHI Associates (BVI) Inc. (17.5%) and Mid-Atlantic Oil & Gas Inc. (12.5%) (together the "**JV Partners**").

The Company holds, through Azinam Limited and Azinam South Africa Limited, two wholly owned subsidiaries of the Company, interests in two offshore petroleum licenses in South Africa. The interests held are a 50% Operated Interest in Exploration Right Block 2B, (the "**Block 2B**"), and a 20% Working Interest in Exploration Right Block 3B/4B, (the "**Block 3B/4B**").

The Company also holds an 85% Operated Interest in four licenses in the Walvis Basin, Offshore Namibia ("**Namibia Licenses**"): (i) Petroleum Exploration License ("PEL") #097 (the "**Cooper License**") and (ii) PEL #099 (the "**Guy License**") (iii) PEL #098 (the "**Sharon License**") and (iv) PEL #100 (the "**Tamar License**"). The terms of the Namibia Licenses are governed by Petroleum Agreements (each, a "**Namibia Petroleum Agreement**" and collectively, the "**Eco Namibia Petroleum Agreements**") between the Company, its Namibia Licenses partners, and Namibia's Ministry of Mines and Energy (the "**Ministry**").

The Company is in the development stage and has not yet commenced principal producing operations other than acquiring and analysing certain pertinent geological data in Guyana and Namibia and drilling two exploration wells in Guyana and one in South Africa. The Company is currently engaged in the exploration and development of its properties, in addition to evaluating the Jethro and Joe oil discoveries, to determine the appropriate appraisal approach.

Renewable Energy development

During 2021, the Company's subsidiary, Eco (BVI) Oil and Gas Ltd, was renamed Solear Ltd., to source, acquire and develop an exclusive pipeline of potential high yield solar energy projects, with a geographic focus in southern Europe. An independent senior team was engaged in the review and analysis of several development projects with potentially promising returns to seek to generate shareholder value.

In February 2022, the Board of directors approved the sale of the Kozani project and resolved to discontinue the renewable energy operations.

The Company is awaiting receipt of the balance of consideration due from the acquiror in respect of this disposal, having received a non-refundable amount of €120,000 to date, and accordingly retains ownership of the project and maintains the assets. Due to the failure on the part of the acquiror to settle the consideration on the due dates, the Company was permitted to dispose of the project to alternative buyers and on November 25, 2022, the Company completed the sale for total proceeds of €2.3 million (US$2.4 million).

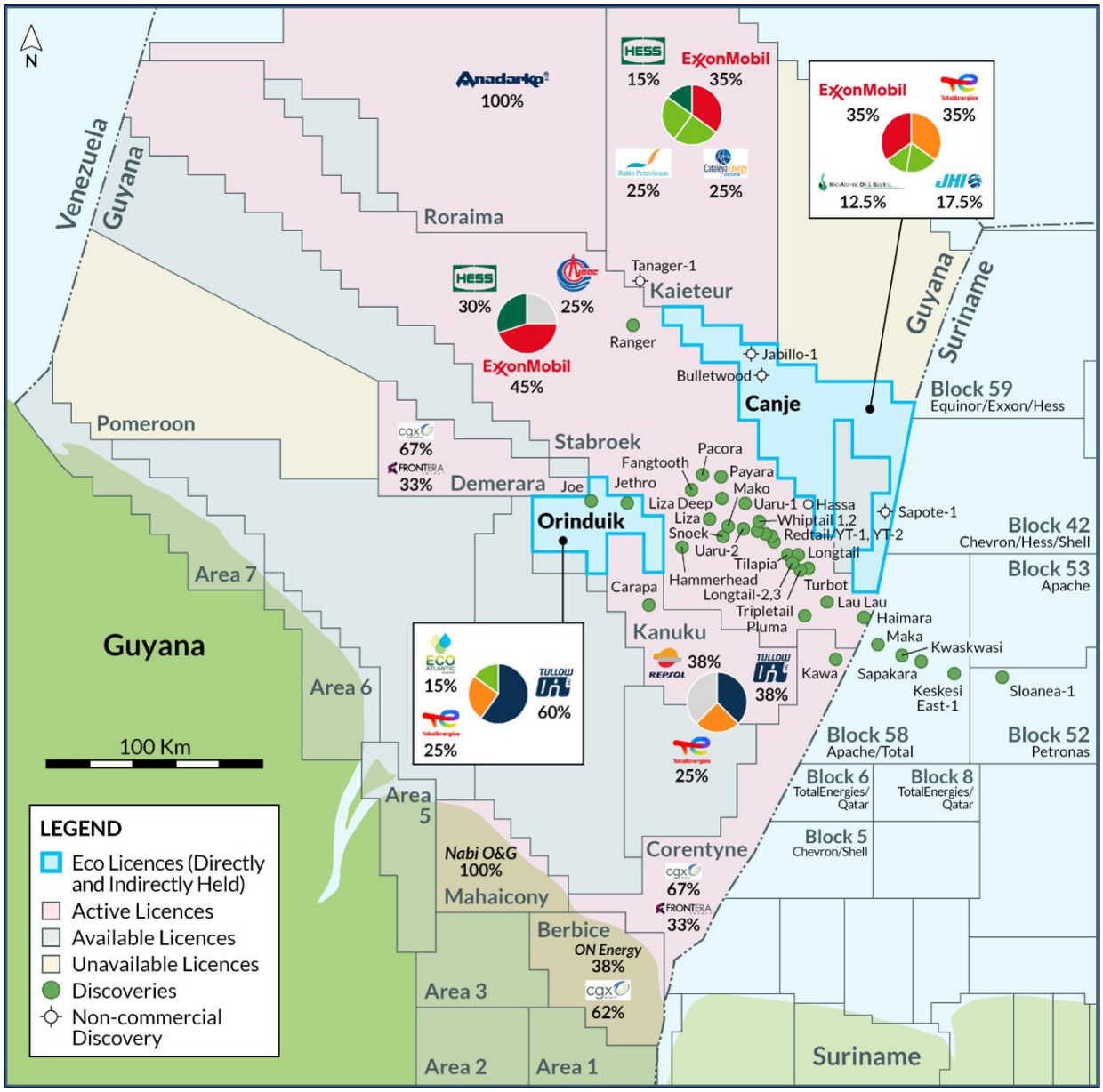
Significant Developments

- On June 27, 2022, the Company announced the entering into of a farm out agreement for the acquisition of an additional 6.25% Participating Interest in the Block 3B/4B (the "**PI**"). On July 6, 2022 the Company announced receipt of TSXV approval of the acquisition which resulted in the issuance of 2,702,702 Common Shares at a deemed price of CAD$0.48 per Common Share and a cash amount of $1 million to the vendor of the PI (the "**Vendor**"). Upon fulfillment of future conditions the Vendor is entitled to receive: (i) a cash amount of $500,000 (ii) Common Shares, at a deemed price of CAD$0.48 per Common Share, having an aggregate value of $500,000 (or alternatively in lieu of such Common Shares, at the Company's sole discretion, pay an additional amount of US$500,000 to the Vendor such that the cash consideration is $1 million); (iii) Common Shares a deemed price of CAD$0.48 per Common Share having an aggregate value of $3 million, which Common Shares will be subject to contractual lock up restrictions; (iv) Common Shares at a deemed price of CAD$0.48 per Common Share, having an aggregate value of $2 million; and (v) Common Shares equal to $2 million divided by the greater of (i) the value of the 30 day VWAP per Common Share prior to the date of the press release announcing the issue of such Common Shares; and (ii) the lowest issuance price then allowed by the rules of the TSXV and AIM (to the extent then listed on such markets, otherwise the average (if listed on more than one market) on such markets as the Common Shares are then listed) subject to a maximum of 10,000,000 Common Shares.
- On June 27, 2022, the Company announced the successful completion of an equity financing on a private placement basis for gross proceeds of $12.3 million (the "**Financing**"). The Financing resulted in the issuance of 33,406,531 Common Shares, at a deemed price of CAD$0.48 per Common Share, and an equal amount of warrants with each such warrant exercisable into one additional Common Share upon payment of CAD$.5215. TSXV approval for the Financing was announced by the Company on July 6, 2022.

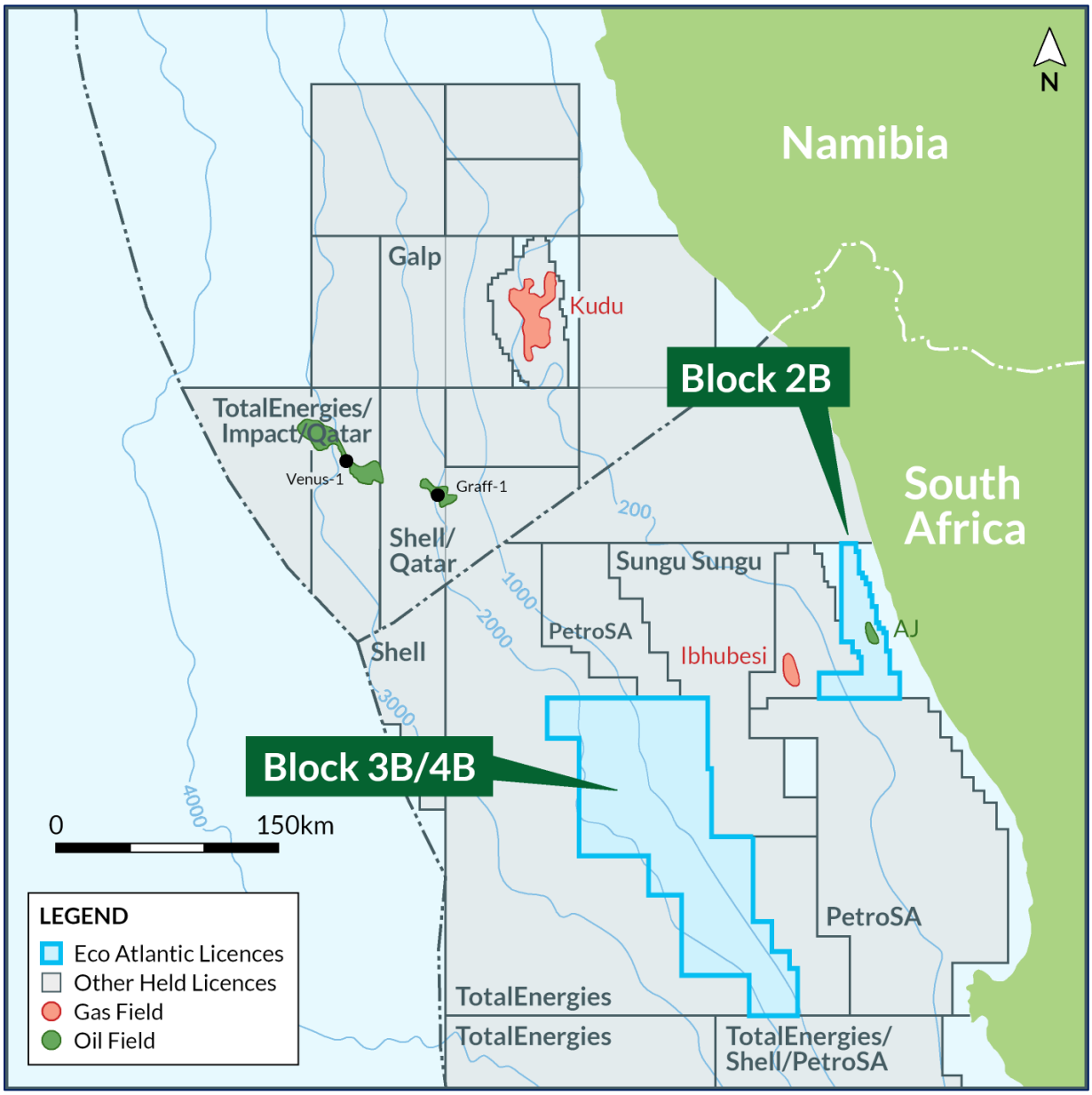
- On August 12, 2022, the Company announced that the Island Innovator Semi-Submersible rig, owned by Island Drilling Company AS was released and mobilised for South Africa.
- On October 4, 2022, the Company announced commencement of operations on the Gazania-1 well on Block 2B, 25km offshore the Northern Cape in Orange Basin South Africa. The Gazania-1 prospect is targeting a 300 million barrels light oil resource.
- On October 27, 2022 the Petroleum Agency of South Africa approved the Operator's application to extend the Block 3B/4B license (being the first renewal of the Exploration Right) and to move into the first extension period of two years. The deed ratifying such extension is expected to be signed on December 2, 2022.
- On November 15, 2022, the Company submitted a Production Right Application to the Petroleum Agency of South Africa ("PASA"), for Block 2B, based on the existing oil discovery of AJ-1 and potential future operations.
- On November 18, 2022, the Company announced that the Gazania-1 well on Block 2B, offshore South Africa, which spudded on October 10, 2022, reached target depth of 2,360m but did not show evidence of commercial hydrocarbons. The well was plugged and abandoned as planned. Gases normally associated with light oil were encountered throughout the drilling of the well.
- As announced by the Operator of Block 3B/4B, the JV partners are working together to collectively farmout up to 55% gross WI in the block, which is currently in the agreement negotiation stages. The Operator and JV Partners will update the market in due course.
- On November 25, 2022, the Company completed the sale of its 100% interest in the Kozani Photovoltaic Development Project for total proceeds of €2.3 million (US$2.4 million).

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

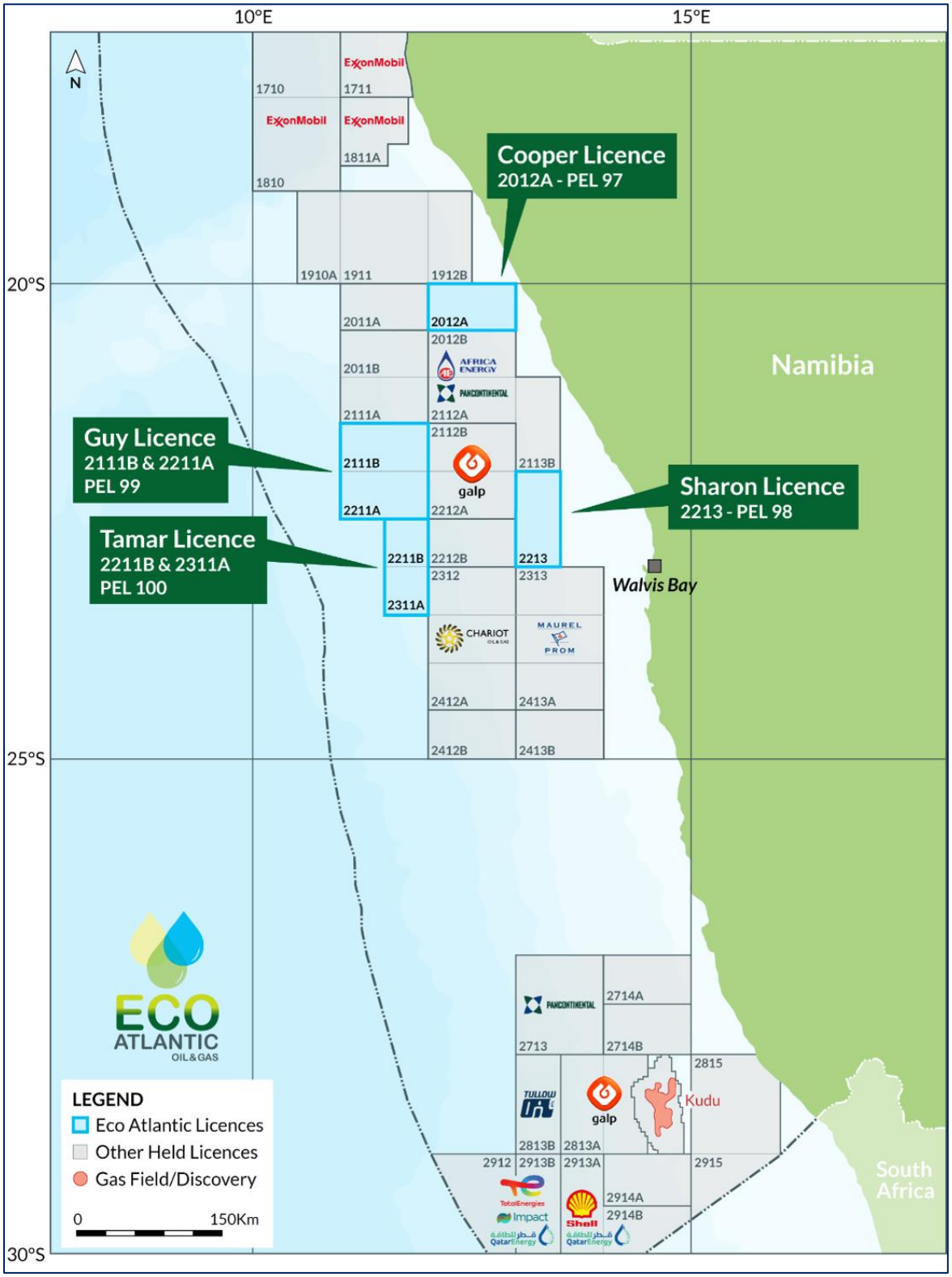
Guyana



South Africa



Namibia


10°E
15°E
20°S
25°S
30°S
N
Cooper Licence
2012A - PEL 97
Guy Licence
2111B & 2211A
PEL 99
Tamar Licence
2211B & 2311A
PEL 100
Sharon Licence
2213 - PEL 98
Namibia
Walvis Bay
South Africa
Kudu
ECO ATLANTIC OIL & GAS
LEGEND
Eco Atlantic Licences
Other Held Licences
Gas Field/Discovery
0
150Km

GUYANA

Orinduik Block

The 1,800km^2 Orinduik Block governed by the Orinduik License is located 170 km offshore Guyana in the Suriname-Guyana basin and is situated in shallow to deep water (70m-1,400m). The Orinduik Block is adjacent to the Stabroek Block where the consortium, led by the operator ExxonMobil, has made more than 30 discoveries on the block since 2015, and has discovered gross recoverable resources which are currently estimated by ExxonMobil at approximately 11 billion barrels of oil equivalent.

In accordance with the Orinduik License and following TotalEnergies E&P Activitiés Pétrolières' ("**TotalEnergies**") exercise of their Total Option (as defined below), Eco (Atlantic) Guyana Inc. ("**Eco Guyana**") holds a 15% WI in the Guyana License, TotalEnergies held a 25% WI (now held by TOQAP Guyana B.V.) and Tullow Guyana holds a 60% interest (Operator) (together the "**Partners**").

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

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

On August 12, 2019, the Company announced a major oil discovery on the Orinduik License. The Jethro-1 exploration well was drilled by the Stena Forth drillship to a final depth of 14,331 feet (4,400 meters) in approximately 1,350 meters of water. Evaluation of logging data confirmed that the Jethro-1 is the first discovery on the Orinduik License and comprises oil-bearing sandstone reservoir of Lower Tertiary age. It encountered 180.5 feet (55 meters) of net oil pay in lower Tertiary sandstone reservoirs.

On August 27, 2019, the Company announced the commencement of drilling of the Joe prospect ("**Joe-1**") the Company's second exploration well on the Orinduik Block. Joe-1 was spud using the Stena Forth drillship, which previously drilled the Jethro-1 discovery.

On September 16, 2019, the Company announced a second oil discovery on the Orinduik Block, offshore Guyana. The Joe-1 exploration well was drilled by the Stena Forth drillship to a final depth of 7,176 feet (2,175 meters) in approximately 2,546 feet (780 meters) of water. Evaluation of MWD, wireline logging and sampling of the oil confirms that Joe-1 is the second discovery on the Orinduik License and comprises oil-bearing sandstone reservoir with a high porosity of Upper Tertiary age. The Joe-1 well encountered 52 feet (16 meters) of continuous thick sandstone.

On November 13, 2019, the Company announced that wells were drilled within budget, with MWD logging tool and conventional wireline, and the reservoirs were considered to be high quality sands with good permeability.

Fluid samples were taken in both of the wells and were sent for analysis by the Operator. Samples recovered from Jethro-1 and Joe-1 were mobile heavy crudes, not dissimilar to the commercial heavy crudes in the North Sea, Gulf of Mexico, the Campos Basin in Brazil, Venezuela and Angola, with high sulphur content.

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

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

On February 3, 2020, the Company announced the filing of a National Instrument 51-101 compliant resource report on the Orinduik Block, offshore Guyana showing significant increase in Gross Prospective Resources to 5,141 MMBOE (771 MMBOE net to Eco) from previous estimate of Gross Prospective Resources of 3,981 MMBOE in March 2019.

On March 15, 2021, the Department of Energy of the Government of Guyana provided final approval for the transfer of the TotalEnergies E&P Guyana B.V. 25% WI in the Orinduik License to a new company jointly owned by TotalEnergies E&P Guyana B.V. (60%) and Qatar Energy (40%), namely TOQAP Guyana B.V. ("**TOQAP**"). Accordingly, the JV Partners now comprise Eco Atlantic (15% WI), Tullow Guyana B.V. (Operator, 60% WI) and TOQAP (25% WI).

The JV Partners are currently further defining the Orinduik geological modeling, 3D reprocessing, prospects maturation and upgrading of the drilling targets inventory selection in an ongoing process.

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

Exploration Activities	Expenditure US$	Company's share of Expenditure US$
By January 2026		
• 2nd renewal period – Drill one further exploration well (contingent)	$ 30,000,000	$ 4,500,000
Total	$ 30,000,000	$ 4,500,000

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

JHI ASSOCIATES INC.

Canje Block

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

JHI is a Guyana pure-play deepwater exploration company founded in 2011. In 2014, JHI teamed up with Guyana-based MOGI which was awarded the Canje Block in 2015. In 2016, ExxonMobil joined the Canje Block as Operator, and in 2018 TotalEnergies farmed into the Block. Five years of extensive technical and seismic data analysis led to the identification of multiple drillable prospects and successfully applying for a multi-well drilling permit for a three well exploration program in 2021.

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

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

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

On August 31, 2021, the Company announced that ExxonMobil has spud the Sapote-1 in the Canje Block, approximately 255 km northeast of Georgetown, in 2,550 meters of water. The Sapote-1 well was drilled to test Upper Cretaceous reservoirs in a stratigraphic trap.

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

South Africa

The Company holds two offshore petroleum licenses South Africa being petroleum exploration license number 2B (the "**Block 2B**"), petroleum exploration license number 3B/4B ("**Block 3B/4B**").

Block 2B

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

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

On August 12, 2022, the Company announced that the Island Innovator rig, owned by Island Drilling Company AS, was released and mobilised.

On October 4, 2022, the Company announced commencement of operations on the Gazania-1 well, which wastargeting a 300 million barrels light oil resource.

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

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

Block 3B/4B

Azinam Limited, a wholly owned subsidiary of the Company, owns a 20% WI of Block 3B/4B, located between 120-250 kms offshore western South Africa, directly south of the prolific multibillion barrels discoveries offshore Namibia announced in April 2022 by Shell (Graff-1) and TotalEnergies (Venus-1), and covers an area of 17,581 km² and lies in water depths ranging from 300-2500m. The 3B/4B license was previously held by BHP Billiton who acquired a 10,000 km² GeoStreamer 3D survey in 2012, which the current JV Partners have been reprocessing. During the same year, Shell acquired a further 8,000 km² of 3D to the north of the 3B/4B, which is on strike with the BHP survey. 1,400 km of multi vintage 2D seismic data also spans the license.

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

On June 27, 2022, the Company announced it had signed a farmout agreement pursuant to which its wholly owned subsidiary, Azinam Limited, will acquire an additional 6.25% Participating Interest (the "**PI**") in Block 3B/4B from the Lunn Family Trust (**"Vendor"**), one of the shareholders of Ricocure (Proprietary) Limited. This agreement was to be subject to the satisfaction of customary conditions precedent including, but not limited to, the receipt of requisite regulatory approvals from the government of South Africa and the TSX Venture Exchange.

On July 6, 2022 the Company announced receipt of TSXV approval to the aforementioned acquisition which resulted in the issuance of 2,702,702 Common Shares at a deemed price of CAD$0.48 per Common Share and a cash amount of $1 million to the vendor of the PI. Upon fulfillment of future conditions the Vendor is entitled to receive: (i) a cash amount of $500,000 (ii) Common Shares, at a deemed price of CAD$0.48 per Common Share, having an aggregate value of $500,000 (or alternatively in lieu of such Common Shares, at the Company's sole discretion, pay an additional amount of US$500,000 to the Vendor such that the cash consideration is $1 million); (iii) Common Shares a deemed price of CAD$0.48 per Common Share having an aggregate value of $3 million, which Common Shares will be subject to contractual lock up restrictions; (iv) Common Shares at a deemed price of CAD$0.48 per Common Share, having an aggregate value of $2 million; and (v) Common Shares equal to $2 million divided by the greater of (a) the value of the 30 day VWAP per Common Share prior to the date of the press release announcing the issue of such Common Shares; and (b) the lowest issuance price then allowed by the rules of the TSXV and AIM (to the extent then listed on such markets, otherwise the average (if listed on more than one market) on such markets as the Common Shares are then listed) subject to a maximum of 10,000,000 Common Shares.

On Completion of the Acquisition, Eco will, through Azinam, will hold a 26.25% Participating Interest in Block 3B/4B, with strategic alliance partners, Africa Oil Corp., the Operator of the block, holding a 20% Participating Interest, and Ricocure, holding the remaining 53.75% Participating Interest.

Historically, a considerable number of wells (32) were drilled in the shallow water western margin of South Africa, to the east of 3B/4B. These wells were predominantly targeting the Mid-Cretaceous Aptian source play. Most of these wells encountered gas or gas shows due to the considerable depth of burial of the Aptian source. Oil was found along the margin, within the AJ-1 well, but this oil was typed to a syn-rift lacustrine source unit, and its extent is believed to be localised. Encouragingly, further offshore, in the area surrounding 3B/4B, overburden thicknesses decrease and the more laterally extensive Aptian source is prognosed to be oil prone.

As of the date hereof, the partners on the block will not conduct any field activity during 2022, as all obligations will have been met including the completion of the 3D processing.

On October 27, 2022 the Petroleum Agency of South Africa approved the Operator's application to extend the Block 3B/4B license (being the first renewal of the Exploration Right) and to move into the first extension period of two years. The deed ratifying such extension is expected to be signed on December 2, 2022.

As announced by the Operator, the JV partners are working together to collectively farmout up to a 55% gross WI in Block 3B/4B. The Operator and JV Partners will update the market in due course.

NAMIBIA

Eco hols an 85% Operated Interest in four licenses in the Walvis Basin, Offshore Namibia. Following recent significant hydrocarbon discoveries offshore Namibia, Eco continues to assess options for progressing exploration and commercial activity on its acreage.

Eco is witnessing considerable interest in its licences in Namibia and is currently assessing options, including a potential farm-out.

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 a 85% WI in the Cooper License, the National Petroleum Corporation of Namibia ("**NAMCOR**") holds a 10% WI, and Tangi Trading Enterprise cc ("**Tangi**") holds a 5% WI. The Company proportionally carry NAMCOR and Tangi's WI during the exploration period.

The Company owns a 1,100 km^2 3D seismic survey processed and interpreted with a drilling prospect ("**Osprey**") defined.

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

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

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	WELL TARGETING • 3D Interpretation, Final Processing • Comparison to Learnings From wells Drilled • Faulting Analysis, Source Rock Interpretation • Reprocessing, if required, Target Definition	Year 1 & 2	$ 550,000	$ 467,500
Phase II	WELL PLANNING • Final Location Investigation, Survey, if required • Well Engineering Design, Well Planning and Well Engineering	Year 3	$ 1,200,000	$ 1,020,000
Phase III	DRILLING EXPLORATORY WELL • Completion of Contracts, Completion of Engineering • Final Drilling Permits, Drilling of Exploratory Well	Year 4	$ 50,000,000	$ 42,500,000
	FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase IV	RESOURCE AND PRODUCTION ASSESSMENT • Based on successful well, Company will complete resource and production assessment and consider offset well • (*If* exploration *well is unsuccessful evaluate new 3D survey)*	Year 5	$ 450,000	$ 382,500
Phase V	OFFTAKE PRODUCTION ENGINEERING PLANNING • Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well • (*If initial exploration well is unsuccessful, define areas of primary* interest*, permit new 1,200 km^2 3D Survey, Estimate $8/mm)*	Year 6	$ 600,000	$ 510,000
	SECOND RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase VI	DRILLING ASSESSMENT WELL • Based on Successful Well, Complete Planning for Assessment Well • Evaluate Offtake Plans Based on 2nd Well Success • Drill Assessment Well, Begin Offtake Engineering and Design	Year 7 & 8	$ 45,000,000	$38,250,000

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Sharon License

The Sharon License covers approximately 5,700 km^2 and is located in Block 2213 offshore in the economical waters of Namibia (the "**Sharon Block**"). The Company holds a 85% WI in the Sharon License, NAMCOR holds a 10% WI and Titan Oil and Gas (Pty) Ltd holds a 5% WI ("**Titan**"). The Company proportionally carry NAMCOR and Titan's WI during the exploration period.

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

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

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

Period	Minimum Exploration Work Program -	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	SEISMIC PLANNING AND 2D SEISMIC PROGRAM • Existing 2D Interpretation • Seismic Planning and Complete 2D Seismic Program 1000 km • Processing, Interpretation • Comparison to Learnings other programs and wells Drilled • Faulting Analysis, Source Rock Interpretation	Year 1 & 2	$ 1,000,000	$ 850,000
Phase II	3D SEISMIC PLANNING AND PROGRAM CONTRACTING • 3D Contracting, Planning, Permitting, Operations 1000 km Regional Interpretation	Year 3	$ 6,200,000	$ 5,270,000
Phase III	3D PROCESSING AND INTERPRETATION • Completion of Processing • Interpretation and analysis • Well Target Selection • Drilling Permits • Drilling Contractor	Year 4	$ 1,500,000	$ 1,275,000
	FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase IV	DRILLING EXPLORATORY WELL • Completion of Contracts, Completion of Engineering • Final Drilling Permits, Drilling of Exploratory Well RESOURCE AND PRODUCTION ASSESSMENT • Based on successful well, Company will complete resource and production assessment and consider offset well • (*If exploration well is unsuccessful evaluate new 3D survey)*	Year 5	$ 40,000,000	$ 34,000,000
Phase V	OFFTAKE PRODUCTION ENGINEERING PLANNING • Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well • (*If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 km^2 3D Survey, Estimate $8mm)*	Year 6	$ 600,000	$ 510,000

Period	Minimum Exploration Work Program -	Year	Minimum Estimated Expenditure	Company's share of expenditure
	SECOND RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase VI	DRILLING ASSESSMENT WELL • Based on Successful Well, Complete Planning for Assessment Well • Evaluate Offtake Plans Based on 2nd Well Success • Drill Assessment Well, Begin Offtake Engineering and Design	Year 7 & 8	$ 40,000,000	$ 34,000,000

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Guy License

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

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

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

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

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	SEISMIC PLANNING AND 2D SEISMIC PROGRAM • Existing 2D and 3D Interpretation • Seismic Planning and Complete 2D Seismic Program 1000 km • Processing, Interpretation • Comparison to Learnings other programs and wells Drilled • Faulting Analysis, Source Rock Interpretation	Year 1 & 2	$ 1,250,000	$ 1,062,500
Phase II	3D SEISMIC PLANNING AND PROGRAM CONTRACTING • 3D Contracting, Planning, Permitting, Operations 1000 km Regional Interpretation	Year 3	$ 6,400,000	$ 5,440,000
Phase III	3D PROCESSING AND INTERPRETATION • Completion of Processing • Interpretation and analysis • Well Target Selection • Drilling Permits • Drilling Contractor	Year 4	$ 1,500,000	$ 1,275,000

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
	FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase IV	DRILLING EXPLORATORY WELL • Completion of Contracts, Completion of Engineering • Final Drilling Permits, Drilling of Exploratory Well RESOURCE AND PRODUCTION ASSESSMENT • Based on successful well, Company will complete resource and production assessment and consider offset well • (*If exploration well is unsuccessful evaluate new 3D survey)*	Year 5	$ 50,000,000	$ 42,500,000
Phase V	OFFTAKE PRODUCTION ENGINEERING PLANNING • Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well • (*If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 km^2 3D Survey, Estimate $8mm)*	Year 6	$ 600,000	$ 510,000
	SECOND RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase VI	DRILLING ASSESSMENT WELL • Based on Successful Well, Complete Planning for Assessment Well • Evaluate Offtake Plans Based on 2nd Well Success • Drill Assessment Well, Begin Offtake Engineering and Design	Year 7 & 8	$50,000,000	$ 42,500,000

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Tamar License

The Tamar License covers approximately 5,649 km^2 and is located in Block 2211B and 2311A offshore in the economical waters of Namibia (the "**Tamar Block**"). The Company holds an 85% WI in the Tamar Block, NAMCOR holds a 10% WI and Moonshade Investment (Pty) Ltd ("**Moonshade**") holds a 5% WI. The Company proportionally carry NAMCOR and Moonshades' WI during the exploration period.

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

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

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
Phase I	SEISMIC PLANNING AND 2D SEISMIC PROGRAM • Existing 2D Interpretation • Seismic Planning and Complete 2D Seismic Program • Processing, Interpretation • Comparison to Learnings other programs and wells Drilled • Faulting Analysis, Source Rock Interpretation	Year 1 & 2	$ 1,250,000	$ 1,250,000
Phase II	3D SEISMIC PLANNING AND PROGRAM CONTRACTING • 3D Contracting, Planning, Permitting Regional Interpretation	Year 3	$ 6,400,000	$ 6,400,000
Phase III	3D PROCESSING AND INTERPRETATION • Completion of Processing • Interpretation and analysis • Well Target Selection • Drilling Permits • Drilling Contractor	Year 4	$ 1,500,000	$ 1,500,000
	FIRST RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase IV	DRILLING EXPLORATORY WELL • Completion of Contracts, Completion of Engineering • Final Drilling Permits, Drilling of Exploratory Well RESOURCE AND PRODUCTION ASSESSMENT • Based on successful well, Company will complete resource and production assessment and consider offset well • (*If exploration well is unsuccessful evaluate new 3D survey)*	Year 5	$ 40,000,000	$ 40,000,000
Phase V	OFFTAKE PRODUCTION ENGINEERING PLANNING • Based on successful well, Company completes target assessment and begins planning and permitting for drilling of an offset production well • (*If initial exploration well is unsuccessful, define areas of primary interest, permit new 1,200 Km^2 3D Survey, Estimate $8mm)*	Year 6	$ 600,000	$ 600,000

Period	Minimum Exploration Work Program	Year	Minimum Estimated Expenditure	Company's share of expenditure
	SECOND RENEWAL EXPLORATION PERIOD (2 YEARS) *(Optional 1-year extension)*			
Phase VI	DRILLING ASSESSMENT WELL • Based on Successful Well, Complete Planning for Assessment Well • Evaluate Offtake Plans Based on 2nd Well Success • Drill Assessment Well, Begin Offtake Engineering and Design	Year 7 & 8	$ 40,000,000	$ 40,000,000

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Environmental, Social and Governance "ESG"

Eco Atlantic is committed to meeting the highest standards of ESG practices across all aspects of the business. The Company is committed to the countries it operates in and is dedicated to promoting sustainable growth as well as support for the local communities in which we work.

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.

Environmental Stewardship

Eco aims to embed environmental stewardship in everything it does. Eco recognises that oil and gas activities may result in an impact to the environment in its areas of operation and it is committed minimise this by following stringent operational planning practices.

- Eco is continually developing its management systems to implement its ESG Policies and to measure its effectiveness as part of a process of goal of continuous improvement
- Eco obtains and maintains all the necessary permits and licenses for its activities
- Eco consults with its stakeholders on environmental issues that may affect them

As a result, Eco strives to responsibly minimise environmental impacts across the full life cycle of our exploration operations and its corporate operations.

Corporate Social Responsibility

Eco's primary ESG goal is to contribute to a sustainable future for the countries we work within. As the energy sector continues to develop within these countries, they will inevitably benefit from the creation of both new sector direct work opportunities and more importantly massive indirect positive economic impact and job creation including infrastructure development, education, and growth. Within this context, Eco will continue to demonstrate its support and participation of proactive social and corporate responsibility.

Eco has a track record of in-country relationships and ESG engagement, the Company began implementing early-stage social responsibility programmes focused on education in both Namibia and Guyana over 10-years ago. A South Africa focused initiative has also been initiated with our local community stakeholders. Eco firmly believes that by supporting the younger generation with the foundation for effective education and the opportunity to gain valuable skills and education tools needed to succeed, the whole country will benefit from growth and prosperity.

Financial position

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

As at September 30, 2022, the Company had total assets of $67,293,245 and a net equity position of $61,586,226. This compares with total assets of $45,868,780 and a net equity position of $40,221,941 as at March 31, 2022. The Company had current liabilities of $5,707,019 as at September 30, 2022, as compared with $5,646,839 as at March 31, 2022.

As at September 30, 2022, the Company had working capital of $23,240,635 compared to working capital of $191,745 as at March 31, 2022. The Company had cash on hand of $24,590,082 as at September 30, 2022, compared with $3,438,834 as at March 31, 2022, and short-term investments of $52,618 at September 30, 2022 compared with $52,618 as at March 31, 2022. As of November 27, 2022, the Company is expected to have approximately US$17.5 million cash and cash equivalents at the end of November 2022, following receipt of the initial proceeds from the sale of the Kozani project in the coming days referred to below.

Environmental Regulation

The Company'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.

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.

Summarised Financial Information (in US Dollars)

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Revenue				
Interest income	**36,325**	3,911	**$ 56,452**	$ 8,435
	36,325	3,911	**56,452**	8,435
Operating expenses:				
Compensation costs	**210,605**	206,327	**479,914**	410,087
Professional fees	**240,894**	142,540	**460,579**	181,499
Operating costs	**11,097,960**	34,953	**13,041,411**	417,818
General and administrative costs	**350,864**	200,960	**608,154**	309,357
Share-based compensation	**750,667**	5,888	**1,751,886**	11,710
Foreign exchange loss	**690,794**	99,153	**975,221**	53,222
Total operating expenses	**13,341,784**	689,821	**17,317,165**	1,383,693
Operating loss	**$ (13,305,459)**	$ (685,910)	**$ (17,260,713)**	$ (1,375,258)

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 capitalised.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalised. This includes costs incurred in preparing the site for production operations. Capitalisation 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 capitalised if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Interest income

During the three months ended September 30, 2022, the Company earned interest of $36,325 from funds invested in interest bearing deposits with financial institutions, as compared with $3,911 earned during the three months ended September 30, 2021.

During the six months ended September 30, 2022, the Company earned interest of $56,452 from funds invested in interest bearing deposits with financial institutions, as compared with $8,435 earned during the six months ended September 30, 2021.

The increase in interest earned during each period reflects the increase 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 the 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 ("**JOA Recoveries**").

Operating costs

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

During the three months ended September 30, 2022, the Company incurred net operating costs of $11,097,960 as compared to net operating costs of $34,953 for the three months ended September 30, 2021. The increase in 2022 for the three months ended September 30, 2022 relates primarily to expenditure in respect of the preparation for the exploration well which commenced in October 2022.

During the six months ended September 30, 2022, the Company incurred net operating costs of $13,041,411 as compared to net operating costs of $417,818 for the six months ended September 30, 2021.

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 three months ended September 30, 2022, the Company incurred compensation costs of $210,605 as compared to $206,327 for the three months ended September 30, 2021.

During the six months ended September 30, 2022, the Company incurred compensation costs of $479,914 compared to $410,087 for the six months ended September 30, 2021.

Professional fees

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

During the three months ended September 30, 2022, the Company incurred professional fees of $240,894 compared to $142,540 for the three months ended September 30, 2021. The increase in professional fees in 2022 is due to increased activity by the Company as compared to the prior year.

During the six months ended September 30, 2022, the Company incurred professional fees of $460,579 compared to $181,499 for the six months ended September 30, 2021.

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, London and Namibia.

During the three months ended September 30, 2022, the Company incurred net general and administrative costs of $350,864 as compared to $200,960 during the three months ended September 30, 2021.

During the six months ended September 30, 2022, the Company incurred net general and administrative costs of $608,154 as compared to $309,357 during the six months ended September 30, 2021.

General and Administrative costs increased during 2022 as compared to 2021, primarily due to public company costs, insurance and travel (following the ease in Covid- 19 travel restrictions).

Share based compensation

The share-based compensation expense reflects the fair value of stock options granted to directors, officers, employees and consultants of the Company.

During the three months ended September 30, 2022, share based compensation amounted to $750,667 as compared to $5,888 for the three months ended September 30, 2021.

During the six months ended September 30, 2022, share based compensation amounted to $1,751,886 as compared to $11,710 for the six months ended September 30, 2021.

The reason for the significant increase in amounts expensed in 2022 relates to the RSU's and stock options issued and expensed during the period.

Foreign exchange

The foreign exchange movement during the three months and six months ended September 30, 2022, 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 hold funds in in Canadian dollars, British Pounds and Euros.

Summary of Quarterly Results

Summarised quarterly results for the past eight quarters are as follows:

	Quarter Ended			
	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21
Total income	$ 36,325	$ 20,127	$ (4,879)	$ -
Net profit (loss) for the period	$ (13,782,259)	$ (2,714,686)	$ (5,567,107)	$ 236,043
Basic loss per share	$ (0.038)	$ (0.009)	(0.021)	$ 0.001

	Quarter Ended			
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Total income	$ 3,911	$ 4,524	$ 5,318	$ 6,123
Net loss for the period	$ (400,636)	$ (825,624)	$ (1,540,808)	$ (642,375)
Basic loss per share	$ (0.002)	$ (0.004)	(0.005)	$ (0.005)

Additional Disclosure for Venture Issuers Without Significant Revenue

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Expenditures on exploration and evaluation				
2B Block	**$ 10,425,000**	$ -	**$ 11,621,000**	$ -
3B/4B Block	**103,000**	-	**334,000**	-
Cooper License	**218,000**	139,000	**382,000**	251,000
Guy License	**69,000**	61,900	**175,000**	83,000
Sharon License	**194,000**	121,000	**333,000**	190,000
Tamar License	**86,000**	6,000	**153,000**	27,000
Guyana License	**175,000**	111,000	**321,000**	135,000
Total	**$ 11,270,000**	$ 438,900	**$ 13,319,000**	$ 686,000
General and administrative expenses				
Occupancy and office expenses	**$ 11,488**	$ 5,051	**$ 14,569**	$ 7,700
Travel expenses	**34,422**	13,964	**75,878**	28,996
Public company costs	**184,108**	149,435	**364,225**	236,642
Insurance	**113,429**	42,871	**141,521**	48,685
Financial services	**7,417**	4,826	**11,961**	7,964
Recovered under JOAs	**-**	(15,187)	**-**	(20,630)
	$ 350,864	$ 200,960	**$ 608,154**	$ 309,357

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis whereby the Company is assumed to be able to realise its assets and discharge its liabilities in the normal course of operations. The 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 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 six months ended September 30, 2022, the Company's overall position of cash and cash equivalents increased by $21,704,350, 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 six months ended September 30, 2022 was $14,025,502 as compared to cash generated from operating activities of $1,950,517 for the six months ended September 30, 2021.
2) Cash used in investing activities for the six months ended September 30, 2022 was $nil as compared to $8,499,978 for the six months ended September 30, 2021. In 2021, the amount related primarily to the Company's acquisition of the JHI Associates Inc. common shares and was offset by the redemption of short-term investments.
3) Cash generated from financing activities for the six months ended September 30, 2022 was $35,729,852 as compared to $4,865,177 for the six months ended September 30, 2021. In 2022, the amount related primarily to two private placements completed during the six months ended September 30, 2022.

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 currently 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	344,022,014
Options issued to directors, officers and consultants	8,920,000
RSUs granted to directors, officers and consultants	2,368,000
Warrants*	88,352,444
Common shares outstanding on a fully diluted basis	443,662,458

(*) 40,000,000 warrants are only exercisable in the case of a producible commercial discovery on Block 2B or Block 3B/4B

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, submit annual work plans for the development of each license, which are approved by the relevant regulator.

Financial Instruments

Other risks and uncertainties the Company faces at present are market risk and foreign exchange risk.

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and oil and gas prices. An extended period of depressed oil and gas prices could make access to capital more difficult and the Company is dependent on capital markets to fund its exploration and ultimately, its development programs.

Foreign exchange risk arises since most of the Company's costs are in currencies other than the Canadian dollar. Fluctuations in exchange rates between the Canadian dollar and the U.S. dollar could materially affect the Company's financial position. 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.

Risks and Uncertainties

The business of exploring for, developing and producing oil and gas reserves is inherently risky. The Company is in the development stage and has not determined whether its licenses contain economically recoverable reserves. The Company's future viability is dependent on the existence of oil and gas reserves and on the ability of the Company to obtain financing for its exploration programs and development of such reserves and ultimately on the profitability of operations or disposition of its oil and gas interests.

The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

For a complete discussion on risk factors, please refer to the Company's Annual Information Form dated July 29, 2022, filed under the Company's profile at www.sedar.com and on the Company's website.

COVID-19

Since January 2020, the Coronavirus outbreak has dramatically expanded into a worldwide pandemic creating macro-economic uncertainty and disruption in the business and financial markets. Many countries around the world have been taking measures designated to limit the continued spread of the Coronavirus, including the closure of workplaces, restricting travel, prohibiting assembling, closing international borders and quarantining populated areas. To date there have been minimal disruptions to the Company's operations. Despite reduced travel, the Company has been able to maintain communications and on-going operations with its partners and regulatory bodies, however, such measures present concerns that may dramatically affect the Company's ability to conduct its business effectively, including, but not limited to, adverse effect relating to negotiations and discussions with regulators, site visits, slowdown and stoppage of work, travel and other activities which are essential and critical for maintaining on-going business activities. Given the uncertainty around the extent and timing of the future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, the Company cannot reasonably estimate the impact to its future results of operations, cash flows or financial condition; infections may become more widespread and the limitation on the ability to work and travel, as well as any closures or supply disruptions, may be extended for longer periods of time and to other locations, all of which would have a negative impact on the Company's business, financial condition and operating results. In addition, the unknown scale and duration of these developments have macro and micro negative effects on the financial markets, oil prices and the global economy which could result in an economic downturn that could have a material adverse effect on its operations and financial results, earnings, cash flow and financial condition. To mitigate some of these risks, the Company has taken steps to reduce its cash burn by reducing compensation to officers, directors and consultants.

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 senior management, 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 the six months ended September 30, 2022 and 2021 and the balances owing as of September 30, 2022 and 2021:

September 30, 2022:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at September 30, 2022
Executive Directors						
Gil Holzman - CEO	$ -	$ 253,239	$ 273,000	$ 237,838	$ 764,077	$ 42,207
Colin Kinley - COO	-	180,000	273,000	237,838	690,838	-
Alan Friedman - Executive Vice President	-	19,905	-	31,712	51,617	3,317
Gadi Levin - Financial Director	-	62,534	68,250	63,424	194,208	9,000
Non Executive Directors						
Moshe Peterberg - Chairman of the board	72,000	-	97,500	158,559	328,059	36,000
Keith Hill	11,452	-	97,500	118,919	227,871	11,452
Peter Nicol	16,635	-	-	63,424	80,059	16,635
Helmut Angula	9,601	-	-	31,712	41,313	9,601
Officers						
Alan Rootenberg - CFO	-	11,757	-	-	11,757	1,960
Kinley Exploration LLC, a company controlled by the COO	-	295,950	-	-	295,950	103,803
Total	**$ 109,688**	**$ 823,385**	**$ 809,250**	**$ 943,426**	**$ 2,685,749**	**$ 233,974**

September 30, 2021:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at September 30, 2021
Executive Directors						
Gil Holzman - CEO	$ -	$ 202,359	$ -	$ -	$ 202,359	$ 33,726
Colin Kinley - COO (*)	-	90,000	-	-	90,000	15,000
Alan Friedman - Executive Vice President	-	20,491	-	-	20,491	3,415
Gadi Levin - Financial Director	-	47,250	-	-	47,250	7,875
Non Executive Directors						
Moshe Peterberg - Chairman of the board	61,200	-	-	-	61,200	10,200
Keith Hill	12,210	-	-	-	12,210	2,035
Peter Nicol	18,659	-	-	-	18,659	3,110
Helmut Angula	10,175	-	-	-	10,175	1,696
Officers						
Alan Rootenberg - CFO	-	5,700	-	-	5,700	950
Kinley Exploration LLC, a company controlled by the COO	-	99,950	-	-	99,950	16,658
Total	**$ 102,244**	**$ 465,750**	**$ -**	**$ -**	**$ 567,994**	**$ 94,665**

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' significant accounting policies can be found in Note 3 of the Company's Financial Statements.

Use of 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.

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Stock Based Compensation

The Company uses the fair value method, utilising the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognised over the applicable vesting period as stock-based compensation expense. The recognised costs are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

Income Taxes

At the end of each reporting period, the Company assesses whether the realisation of deferred tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the exercise of judgment on the part of management with respect to, among other things, benefits that could be realised from available income tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available income tax strategies are lowered, or if changes in current income tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilise deferred tax benefits.

The Company's effective income tax rate can vary significantly quarter-to-quarter for various reasons, including the mix and volume of business in lower income tax jurisdictions and in jurisdictions for which no deferred income tax assets have been recognised because management believed it was not probable that future taxable profit would be available against which income tax losses and deductible temporary differences could be utilised. The Company's effective income tax rate can also vary due to the impact of foreign exchange fluctuations.

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.sedar.com.