

Eco Atlantic Oil & Gas Ltd

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Eco Atlantic Oil & Gas shares rise on Joe-1 discovery well result

Eco Atlantic Oil & Gas Ltd (LON:ECO, CVE:EOG) has confirmed back-to-back exploration successes offshore Guyana as the Joe-1 has struck oil.

The small-cap explorer's shares raced to a 10.29% gain in Monday's early deals to trade at 193p each, adding to the summer's stellar rise from around 68p.

Eco this morning revealed that the Tullow Oil plc (LON:TLW) operated Joe-1 has found high quality oil-bearing sandstone reservoir.

WATCH: Eco Atlantic's Gil Holzman hails back-to-back successes after Joe discovery

It marks the second discovery in two wells for Tullow and Eco which have so far seen the kind of consistency that Exxon has enjoyed nearby - the American oiler has made 13 consecutive discoveries since 2015, racking up some 5.5bn barrels of crude resources.

One such discovery, Hammerhead, is believed to extend from Exxon's Stabroek acreage into Eco's Orinduik project area.

Tullow and Eco now intend to conduct a detailed evaluation of Orinduik's three discoveries - Jethro, Joe and the Hammerhead extension - and resource estimates will be compiled.

A prior competent persons report, prior to the Jethro and Joe wells, had estimated that Orinduik was host to some 3.98bn barrels of prospective resources, which gives Eco 600mln barrels for its 15% stake in the project.

In a regional context, these new discoveries are well timed as Exxon advances its development projects (the Liza field is due to start producing next year), bringing in key personnel and infrastructure to the South American country.

Joe in detail

The Joe well is located in 780 metres of water and was drilled down to a depth of 2,175 metres. The oil discovery was confirmed by evaluation of MWD and wireline logging data, and through subsequent tests of oil samples it was determined to be a 'high quality oil-bearing sandstone reservoir with a high porosity of Upper Tertiary age'.

Some 16 metres of continuous thick sandstone was encountered which further proves the presence of recoverable oil resources.

Eco noted that additional thinner sands were encountered both above and below the main discovery and these will now be evaluated for possible incremental pay.

A 'play opening' discovery

Eco chief operating officer Colin Kinley, in a statement, highlighted: "The Joe-1 discovery has now opened up an

Price: 50

Market Cap: £92.2 m

Share Information

Code: ECO

Listing: AIM

52 week	High	Low
	210	37.4

Sector: Oil & Gas

Website: www.ecoilandgas.com

Company Synopsis:

Eco Atlantic is an oil and gas exploration company focused on the acquisition and development of unique upstream petroleum opportunities around the world. The Company's objective is to identify technically merited prospective new and developing projects in frontier areas requiring low cost entry.

action@proactiveinvestors.com

additional play on the Orinduik Block that further defines the full potential for Eco and our partners in Guyana.

"Our initial interpretation, prior to drilling, defined over a dozen potential resource targets throughout the entire hydrocarbon section. We set a strategy to first focus on these shallower Tertiary plays as they have a huge positive effect on overall economics and allow a speedy path to production.

"Fast, low risk drilling to thick, clean, high porosity oil-bearing sands has decreased the drilling costs and greatly de-risks the development.

"This new discovery in the Upper Tertiary has opened a new play, the first Upper Tertiary discovery in Guyana, throughout our block, just as the Jethro-1 discovery did in the Lower Tertiary section.

"It has greatly increased our chance of success on our upcoming drilling targets and significantly de-risks other resource not previously considered in our interpretation."

Eco has budget for more wells

Gil Holzman, Eco chief executive, added: "Yet another oil discovery for Eco in Guyana, and we are delighted to have been successful on both of our first two wells.

"We share this success with the people of Guyana and our great partners at Tullow and Total. With Jethro and Joe as two proven oil discoveries on our block, in two separate horizons, and with multiple drilling targets in front of us, we are in a great place.

"We are well funded and budgeted to drill more prospects, as we continue to develop a world class asset for Guyana and for our shareholders.

"The Joe-1 discovery, only a month after the Jethro-1 discovery, is very material for us as it has proven that our theory of shallow low-cost plays exists in Guyana, as we are up-dip from the huge Exxon fields at Liza and Turbot areas, with good quality sands and oil that is clearly present on our block.

"Extrapolating the overall extent of the play, the quality and accuracy of our interpretation and the significant upside as defined in our CPR, we now have a clear path to making further discoveries, and additional shareholders value creation."

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