

Eco Atlantic Oil & Gas Ltd

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Eco Atlantic Oil & Gas and partners start preparing new drill plans for Guyana

Eco Atlantic Oil & Gas Ltd (LON:ECO, CVE:EOG) has told investors that alongside partners Tullow Oil plc (LON:TLW) and France's Total SA the company is reviewing the forward drilling strategy in Guyana following back-to-back discoveries in the Jethro-Lobe and Joe wells.

Tullow, the operator, is presently preparing a budget for long-lead items. The partners continue to evaluate well data and will be considering the next possible well locations.

The company noted that it will be covering its 15% working interest in the Orinduik exploration project via its existing cash resources.

Options available include appraisal of Jethro-Lobe and follow on exploration from Joe which is deemed a 'play opening' discovery.

READ: Tullow is closer to unlocking Orinduik's 'multi-billion barrel potential'

Tullow's separate new (non-operated) discovery, Carapa, located in an adjacent exploration block also creates and de-risks other opportunities.

In a statement, Gil Holzman, Eco's co-founder and chief executive officer commented: "After great success in our 2019 drilling campaign, with two significant oil discoveries, the JV partners on the Orinduik Block have many additional targets to consider in the near term.

"The newly learned results on Orinduik and the results from the Carapa well currently being drilled in shallow water on Repsol's adjacent Kanuku Block, just south of the Orinduik, will greatly assist in our interpretation and selection of future drilling targets."

Holzman added: "With ample de-risked prospects and targets on the highly prospective Orinduik Block, Eco is well-positioned to continue to generate material shareholder value.

"While we are extremely pleased with our Guyana discoveries and excited by our near-term drilling plans, we also continue to advance exploration and value creation on our four Namibian offshore blocks, where we are seeing an increased inbound interest and drilling activity in the region."

Bigger than expected resource is possible

Along with new drill plans, investors in Eco will keenly await the findings of a new competent persons report, which will be commissioned as soon as well data analysis is complete.

In Thursday's statement, Eco highlighted that data evaluation to date shows potential for more resources than previously anticipated.

Price: 20

Market Cap: £36.94 m

Share Information

Code: ECO

Listing: AIM

52 week	High	Low
	137	13

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.

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For context, pre-discovery estimates in March envisaged potential for some 3.98bn barrels of resources - which would represent some 597mln barrels net to Eco. That was estimated across a total of fifteen exploration targets including Jethro-Lobe and Joe.

Eco co-founder and chief operating officer Colin Kinley said: "Our Jethro?Lobe discovery is in a clean Lower Tertiary amalgamated sandstone. Tullow described the Jethro-1 well, upon discovery, as having the potential to be a standalone commercial discovery, having a clear seismic definition and excellent reservoir. The partners are currently evaluating the requirements for an appraisal well."

"The Joe?1 discovery on the Orinduik Block is in a shallow, clean, Upper Tertiary age channel sandstone. Not only have we opened a new shallow play, furthering and de-risking other opportunities on the block, we have also done this cost-effectively. Joe-1, the second well on the Orinduik Block, was drilled at less than half of Jethro-1's cost, on budget - under \$21 million gross. We believe that these lower drilling costs positively affect development economics in this play."

Kinley added: "As was the case with the Jethro?Lobe well, we were able to clearly define the target on the 3D seismic section of Joe?1, and the well results were in line with our pre-drill expectations.

"The reservoir and the proven oil charge in the Upper Tertiary sands in Joe -1 also provides encouragement in relation to many other Upper Tertiary locations throughout the Orinduik Block, for example the nearby off?setting Jimmy prospect where Eco believes we now have a significant increase in the Chance of Success as it appears to be in the same charged sands.

"With further processing and interpretation of 3D seismic data, now correlated with our two well discoveries, the location of further wells to be drilled in 2020 will be defined within the next few months," he concluded.

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