Eco Atlantic Announces Offshore Namibia Licenses Farmout

05.01.2015 | GlobeNewswire

TORONTO, Jan. 5, 2015 (GLOBE NEWSWIRE) -- **Eco (Atlantic) Oil & Gas Ltd. ("Eco Atlantic" or the "Company")** (TSX-V:EOG) (NSX:EOG) is pleased to announce that the Company has taken strategic actions to decrease its near to mid-term financial obligations by farming out part of its offshore Namibian licenses for carry and cash, and has revised and reduced its next year work program in Namibia.

Through its wholly-owned subsidiary, Eco Oil and Gas (Namibia) (Pty) Limited ("**Eco Namibia**"), Eco Atlantic has entered into an Amended and Restated Farmout Agreement (the "**Agreement**") with Azinam Limited ("**Azinam**"), amending and restating the terms of the farmout agreement dated April 12, 2012, among the parties.

Pursuant to the Agreement, the Company will receive a total of approximately CAD$4.2 million (US$3.65 million) in cash and will further reduce its financial commitments on its offshore petroleum blocks.

The Company is also pleased to announce that it has agreed with the Namibian Ministry of Mines and Energy to delay current planned 3D Survey programs on its Guy and Sharon Blocks by at least one year to March 2016.

Guy Block

Pursuant to the Agreement, the Company has agreed to transfer an additional 10% participating interest in Blocks 2111B and 2211A offshore Namibia (the "**Guy Block**") to Azinam, in exchange for Azinam funding USD$1 million for 100% of the recently completed 1,000 KM 2D seismic survey and associated processing. Azinam will also pay for 66.44% of a 800km^2 3D seismic program on the Guy Block to be completed within the next 15 months. In addition, Azinam will pay US$150,000 in cash.

The Company currently holds a 60% participating interest in the Guy Block subject to regulatory approval of previously announced farm-out. Post the transaction, the Company will transfer Operatorship of the Guy Block to Azinam, and following the closing of the transaction set out in the Agreement, the Company will hold a 50% participating interest. NAMCOR has a 10% carried interest.

Sharon Block

The Company has also agreed to transfer an additional 10% participating interest in Blocks 2213A and 2213B offshore Namibia (the "**Sharon Block**") to Azinam in exchange for the full carry of 3,000 km of recent 2D data acquired on this block. Further, Azinam will fund 54% of a 1,000km^2 3D seismic survey to be completed in the next 15 months.

Through Eco Namibia, the Company currently holds a 70% participating interest in the Sharon Block. Following the closing of the transaction set out in the Agreement, the Company will hold a 60% participating interest in the Sharon Block and maintain Operatorship. NAMCOR has a 10% carried interest.

Cooper Block

The Company has agreed to transfer an additional 12.5% participating interest in Block 2012A offshore Namibia (the "**Cooper Block**") to Azinam in exchange for US$3.5 million in cash. Azinam's working commitments on the Cooper Block was not amended by the Agreement.

Through Eco Namibia, the Company currently holds a 45% participating interest in the Cooper Block. Following the closing of the transaction set out in the Agreement, the Company will hold a 32.5% carried interest in the Cooper Block; Azinam will hold 32.5%; Tullow Oil holds a 25% working interest and NAMCOR has a 10% carried interest in the block.

The closing of the transaction set out in the Agreement is subject to regulatory approvals by the Ministry of Mines and Energy of Namibia.

Gil Holzman, CEO of **Eco Atlantic** stated: "*We are delighted to have the opportunity to enter into this transaction with our long time strategic block partner, Azinam. With the significant reduction of our financial commitments on the blocks over the short to medium term on the one hand, and with earning meaningful cash contribution on the other, we are perfectly positioned to further progress our offshore licenses in Namibia together with our partners Azinam and Tullow Oil, and explore additional opportunities.*

We have illustrated the Company's ability to raise finance while maintaining majority ownership in our very prospective Namibian assets. Eco Atlantic recognizes the current instability in the upstream exploration sector and has structured its assets for maximum growth with tight control of capital. We are proud of our resourcefulness, enabling us to continue to create shareholder value for the longer term when Namibia offshore, and especially Walvis Basin, will prove to be oil prone. We are very happy with the implied Blocks value, as it reflects from our recent transactions with Tullow Oil and with Azinam."

About Eco Atlantic

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. Through a wholly owned Namibian subsidiary ("**Eco Namibia**"), the Company currently holds three offshore petroleum license blocks covering more than 25,000 square kilometers in the Walvis Basin and one license block covering 23,000 square kilometers, which includes both onshore and offshore areas. Founded in 2008, Eco Namibia enjoys a strong local presence and has a longstanding relationship with the energy and oil and gas sector in Namibia and other maturing exploration plays in Africa.

Forward Looking Statements

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS: Certain information in this press release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expects" and similar expressions. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with oil and gas production and exploration, marketing and transportation; retention of and ability to attract Company personnel, regulatory approvals, loss of markets; volatility of commodity prices; currency and interest rate fluctuations; imprecision of reserve estimates; environmental risks; competition; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although Eco Atlantic believes in light of the experience of its officers and directors, current conditions, expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because Eco Atlantic can give no assurance that they will prove to be correct. The forward-looking statements contained in this press release are made as of the date hereof and Eco Atlantic undertakes no obligation to update publicly or revise any forward- looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Contact

For More Information on Eco Atlantic Contact:

Gil Holzman
President and Chief Executive Officer
gil@ecooilandgas.com
Tel: +972.508884529

Alan Friedman
Executive Vice President
alan@ecooilandgas.com
Tel: +1.416.361.1955