Notice to Reader

These interim financial statements are being re-filed to include information as of June 30, 2016 in the *Consolidated Interim Statements of Changes in Equity*. No other changes have been made to the interim financial statements.

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Condensed Consolidated Interim Financial Statements
For the Three Month Period ended June 30, 2017

(Unaudited)

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NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Eco (Atlantic) Oil & Gas Ltd. for the three and month period ended June 30, 2017 and 2016 have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 3). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Financial Position

	June 30, 2017 Unaudited	March 31, 2017 Audited
Assets		
Current assets		
Cash and cash equivalents	**$ 4,992,936**	$ 6,088,567
Short-term investments *(Note 5)*	**49,818**	49,818
Government receivable	**23,451**	26,609
Accounts receivable and prepaid expenses *(Note 6)*	**957,217**	1,100,491
	6,023,422	7,265,485
Petroleum and natural gas licenses *(Note 7)*	**1,489,971**	1,489,971
Total Assets	**$ 7,513,393**	$ 8,755,456
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(Note 8)*	**$ 459,574**	$ 630,761
Advances from and amounts owing to license partners *(Note 6)*	**125,077**	169,868
	584,651	800,629
Equity		
Share capital *(Note 9)*	**27,056,098**	26,961,675
Shares to be issed *(Note 9)*	**17,500**	0
Restricted Share Units reserve *(Note 9)*	**1,137,337**	184,029
Warrants *(Note 10)*	**238,236**	237,267
Stock options *(Note 11)*	**3,015,430**	2,985,732
Non-controlling interest	**(76,288)**	(76,288)
Accumulated deficit	**(24,459,571)**	(22,337,588)
Total Equity	**6,928,742**	7,954,827
Total Liabilities and Equity	**$ 7,513,393**	$ 8,755,456

The accompanying notes are an integral part of these consolidated financial statements.

Basis of Preparation and Going Concern *(Note 2)*

Commitments *(Notes 6 and 16)*

Subsequent events *(Note 19)*

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Operations and Comprehensive Loss

	Three Months Ended June 30,	
	2017	**2016**
	Unaudited	
Revenue		
Interest income	**$ 6,503**	$ 2,439
	6,503	2,439
Operating expenses:		
Compensation costs *(Note 8)*	**191,147**	107,912
Professional fees	**94,102**	64,400
Operating costs *(Notes 8 and 16)*	**571,336**	371,203
General and administrative costs *(Note 17)*	**172,575**	108,006
Share-based compensation *(Notes 8, 9 and 11)*	**1,078,398**	10,526
Foreign exchange loss	**20,928**	7,109
Total expenses	**2,128,486**	669,156
Net loss and comprehensive loss	**$ (2,121,983)**	$ (666,717)
Net comprehensive loss attributed to:		
Equity holders of the parent	**$ (2,121,983)**	$ (666,717)
Non-controlling interests	**-**	-
	$ (2,121,983)	$ (666,717)
Basic and diluted net loss per share attributable to equity holders of the parent	**$ (0.02)**	$ (0.01)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	**118,659,609**	85,044,025

The accompanying notes are an integral part of these consolidated financial statements.

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Equity

	Number	Capital	Shares to be issued	Restricted Share Units	Warrants	Stock Options	Deficit	Non-controlling Interest	Equity
Balance, March 31, 2016	**85,044,025**	**$ 20,838,056**	**$ 176,580**	**$ 216,114**	**$ -**	**$ 2,400,735**	**$ (18,788,967)**	**$ (68,323)**	**$ 4,774,195**
Stock options expensed	-	-	-	-	-	10,526	-	-	10,526
Share repurchase	-	(210,381)	-	-	-	-	-	-	(210,381)
Net loss for the period	-	-	-	-	-	-	(666,717)	-	(666,717)
Balance, June 30, 2016	**85,044,025**	**20,627,675**	**176,580**	**216,114**	**-**	**2,411,261**	**(19,455,684)**	**(68,323)**	**3,907,623**
Cancellation of shares	(1,823,500)	-	-	-	-	-	-	-	-
Shares repurchase	-	(127,876)	-	-	-	-	-	-	(127,876)
Shares issued on vesting of Restricted Share Units	708,700	136,079	-	(136,079)	-	-	-	-	-
Shares issued on vesting of Restricted Share Units	216,736	41,180	-	3,420	-	-	-	-	44,600
Non-vested Restricted Share Units	-	-	-	100,574	-	-	-	-	100,574
Proceeds from shares issued on listing on AIM, net	32,900,498	6,108,037	-	-	237,267	-	-	-	6,345,304
Extension of Stock options	-	-	-	-	-	416,324	-	-	416,324
Stock options expensed	-	-	-	-	-	158,147	-	-	158,147
Shares issued from Pan African Oil Amalgamation	1,203,374	176,580	(176,580)	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(2,881,904)	(7,965)	(2,889,869)
Balance, March 31, 2017	**118,249,833**	**26,961,675**	**-**	**184,029**	**237,267**	**2,985,732**	**(22,337,588)**	**(76,288)**	**7,954,827**
Shares issued on vesting of Restricted Share Units (Note 9(i))	433,600	95,392	-	(95,392)	-	-	-	-	-
Non-vested Restricted Share Units (Note 9(ii))	-	-	-	1,046,500	-	-	-	-	1,046,500
Shares issued on vesting of Restricted Share Units (Note 9(iii)	-	-	-	2,200	-	-	-	-	2,200
Shares issed for Services (Note 9(iv)	-	-	17,500	-	-	-	-	-	17,500
Issueance of warrants (Note 10(i))	-	(969)	-	-	969	-	-	-	-
Stock options expensed (Note 11)	-	-	-	-	-	29,698	-	-	29,698
Net loss for the period	-	-	-	-	-	-	(2,121,983)	-	(2,121,983)
Balance, June 30, 2017	**118,683,433**	**$ 27,056,098.00**	**$ 17,500**	**$ 1,137,337**	**$ 238,236**	**$ 3,015,430**	**$ (24,459,571)**	**$ (76,288)**	**$ 6,928,742**

The accompanying notes are an integral part of these consolidated financial statements.

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Cash Flows

	Three Months Ended June 30,	
	2017	**2016**
	Unaudited	
Cash flow from operating activities		
Net loss from continued operations	**$ (2,121,983)**	$ (668,249)
Items not affecting cash:		
Write-down of license	-	
Share-based compensation	**1,078,398**	10,526
Depreciation	0	223
Changes in non-cash working capital:		
Government receivable	**3,158**	(13,077)
Accounts payable and accrued liabilities	**(153,687)**	(464,067)
Accounts receivable and prepaid expenses	**143,274**	213,343
Advance from and amounts owing to license partners	**(44,791)**	231,163
	(1,095,631)	(690,138)
Cash flow from financing activities		
Share repurchases	-	(210,381)
	-	(210,381)
Increase (decrease) in cash and cash equivalents	**(1,095,631)**	(900,519)
Cash and cash equivalents, beginning of year	**6,088,567**	3,463,178
Cash and cash equivalents, end of year	**$ 4,992,936**	$ 2,562,659

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

The Company's business is to identify, acquire, explore and develop petroleum, natural gas, and shale gas properties. The Company primarily operates in the Co-Operative Republic of Guyana ("Guyana") and the Republic of Namibia ("Namibia"). The head office of the Company is located at 181 Bay Street, Suite 320, Toronto, ON, Canada, M5J 2T3.

As used herein, the term "Company" means individually and collectively, as the context may require, Eco (Atlantic) Oil and Gas Ltd. and its subsidiaries.

These consolidated financial statements were approved by the Board of Directors of the Company on August 24, 2017.

2. Basis of Preparation and Going Concern

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.

The ability of the Company to continue as a going concern depends upon the discovery of any economically recoverable petroleum, natural gas and CBM reserves on its licenses, the ability of the Company to obtain financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition. The Company is a development stage company and has not earned any revenues to date. These condensed consolidated interim financial statements do not reflect any adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

There can be no assurance that the Company will be able to raise funds in the future, in which case the Company may be unable to meet its future obligations. These matters raise significant doubt about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts recorded on its condensed consolidated interim statements of financial position.

The Company has accumulated losses of $24,459,571 since its inception and expects to incur further losses in the development of its business.

3. Summary of Significant Accounting Policies

Statement of compliance

The Company has prepared these unaudited condensed consolidated interim financial statements in accordance with IAS 34, Interim Financial Reporting, using policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

3. Summary of Significant Accounting Policies (continued)

Statement of compliance (continued)

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of August 24, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as compared with the most recent audited consolidated financial statements of the Company as at and for the year ended March 31, 2017. Certain information and disclosures normally included in the audited consolidated financial statements prepared in accordance with IFRS have been omitted or are condensed. These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2017.

Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2017 could result in restatement of these condensed consolidated interim financial statements.

Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries, Eco (Barbados) Oil and Gas Holdings Ltd., Eco Namibia Oil and Gas (Barbados) Ltd. (Barbados), Eco Guyana Oil and Gas (Barbados) Ltd., Eco (BVI) Oil & Gas Ltd., Eco Oil and Gas (Namibia) (Pty) Ltd. Eco Oil and Gas Services (Pty) Ltd, , Eco Atlantic Holdings Ltd., Eco Pan African Oil Holdings Ltd. Eco Atlantic Guyana Offshore Inc., Eco (Atlantic) Guyana Inc. and Pan African Oil Namibia Holdings (Pty) Ltd. ("PAO Namibia"), of which the Company owns 90%.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties considered by management.

i) 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.

Critical judgments used in applying accounting policies

In the preparation of these condensed consolidated interim financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the condensed consolidated interim financial statements.

4. Future Accounting and Reporting Changes

The IASB issued new standards and amendments not yet effective.

IFRS 9, Financial Instruments (“IFRS 9”) was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The Company is currently assessing the effects of IFRS 9 and intends to adopt on its effective date.

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) was issued by the IASB in May 2014 and clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. The Company's preliminary assessment of IFRS 15 has determined there will not be a significant impact to the consolidated financial statements as a result of the adoption of this standard.

IFRS 16, Leases (“IFRS 16”) was issued by the IASB in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. An entity applies IFRS 16 for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from Contracts with Customers has also been applied. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. The Company is currently assessing the effects of IFRS 16 and intends to adopt on its effective date.

5. Short-term Investments

The Company’s short-term investments comprise interest bearing deposits with its primary bank of $49,818 (March 31, 2016 - $100,000), which are held as collateral for credit-card lines of credit.

6. Accounts receivable and prepaid expenses

Included in account receivable and prepared expenses is a receivable (US$576,580) in respect of the sale of the Company’s Ghana operations, which took place during the year ended March 31, 2017.

7. Petroleum and Natural Gas Licenses

	Balance April 1, 2017	**Additions**	**Impairment, Sale and Abandonment**	**Balance June 30 2017**
Licenses	**$ 1,489,971**	**$ -**	**$ -**	**$ 1,489,971**

	Balance April 1, 2016	Additions	Impairment, Sale and Abandonment	Balance March 31, 2017
Licenses	$ 3,102,353	$ -	$ (1,612,382)	$ 1,489,971

(i) The oil and gas interests of the Company are located both offshore in Guyana and offshore in Namibia.

(ii) Guyana

i. The Guyana License is located in the Orinduik block, offshore Guyana. The Orinduik block is situated in shallow water, 175 kilometers offshore Guyana in the Suriname Guyana basin.

ii. In January 2016, the Company and Tullow Oil plc ("Tullow") signed a Petroleum Agreement ("Guyana Petroleum Agreement") and became party to an Offshore Petroleum License with the Government of Guyana, Tullow Oil plc. and for the Orinduik Block offshore Guyana. Orinduik, is situated in shallow water, 170 kilometers offshore Guyana in the Suriname Guyana basin, and is located very close up to the recent Exxon Lisa and Payara discoveries.

7. Petroleum and Natural Gas Licenses (continued)

(ii) Guyana (continued)

iii. In accordance with the Guyana Petroleum Agreement, the Eco (Atlantic) Guyana Inc holds a 40% working interest in the Guyana Licenses and Tullow holds the balance 60% interest. Under the Guyana Petroleum Agreement, Tullow will act as operator. Tullow will also carry the Company's share of costs of 1,000 square kilometers 3D survey as required under the work program for the Guyana License (and up to US$1,250,000).

iv. On June 8, 2017, in light of recent discoveries activity in the immediate region by other petroleum explorers, and advancement of the interpretation of the Orinduik Block that is encouraging to the Company, Tullow and the Company approved a circa 2,550 km^2 seismic survey on the Company's Orinduik Block offshore Guyana. The seismic survey commenced at the end of July 2017.

As at June 30, 2017, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Guyana License for is as follows:

Exploration Activities(1)	**Expenditure (US$)**	**Company's share of Expenditure (US$)**
By January 2020 • Review existing regional 2D data – completed • Complete 3D survey and interpret 2,550 square kilometer 3D seismic survey(2)	8,000,000	1,950,000
By January 2023 • 1st renewal period – Drill one exploration well (contingent)	35,000,000	14,000,000
By January 2026 • 2nd renewal period – Drill one exploration well (contingent)	35,000,000	14,000,000
Total	78,000,000	29,950,000

(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.

(iii) Namibia

i. The Company holds four offshore petroleum licenses in the Republic of Namibia being petroleum exploration license number 0030 (the "Cooper License"), petroleum exploration license number 0033 (the "Sharon License"), petroleum exploration license number 0034 (the "Guy License", together with the Sharon License and the Cooper License, the "ECO Offshore Licenses"), and petroleum exploration license number 0050 (the "Tamar License").

ii. The terms of the Eco Offshore Licenses are governed by a petroleum agreement for each of those licenses (each, an "Eco Petroleum Agreement"), dated March 7, 2011, as amended from time to time, between the Company and the Namibian Ministry of Mines and Energy (the "Ministry"). The terms of the Tamar License are governed by the Tamar Petroleum Agreement ("Tamar Petroleum Agreement"), dated October 28, 2011, between the Company and the Ministry. Pursuant to the Eco Petroleum Agreement and the Tamar Petroleum Agreement, the Company is required to undertake specific exploration activities on each of the Licenses during each phase of development (each, an "Exploration Activity").

6. Petroleum and Natural Gas Licenses (continued)

(iii) Namibia (continued)

iii. In the Eco Petroleum Agreements and the Tamar Petroleum Agreement, monetary values have been allocated to each Exploration Activity based on information available at the time of their execution. In the Eco Petroleum Agreements, the Company will be relieved of quoted expenditures for a given Exploration Activity if the Company completes the Exploration Activity at a lower cost. Based on recent exploration activity in Namibia and the current oil services market, management expects the actual expenditures on the Exploration Activities to be less than that provided in the Eco Petroleum Agreements.

All Licenses are initially issued for four years with two renewal options of two years each, after which time the licenses revert back to the government unless a production license is granted at any time within the eight year period. Production licenses are generally granted for a 25-year term. The Licenses are subject to license agreements entered between the Company and the Ministry.

iv. The exploration activity on the ECO Offshore Licenses is performed in the framework of joint operating agreements (“JOAs”), pursuant to which the Company is designated the operator. Under the JOAs covering the Guy License and the Sharon License (the “Guy and Sharon JOAs”) entered into between Azimuth, the National Petroleum Corporation of Namibia (“NAMCOR”) and the Company effective January 28, 2013 and the amended and restated joint operating agreement covering the Cooper License, (the “Cooper JOA”) entered into between Tullow, Azimuth, NAMCOR and the Company effective September 24, 2014, certain operating, general and administrative expenses and compensation and professional fees incurred by the Company are recoverable from Tullow and Azimuth.

(iv) The Cooper License

i. The Cooper License covers approximately 5,000 square kilometers (March 31, 2016 – 5,800 square kilometers) (gross area = 1,433,000 acres; net area = 1,003,100 acres) and is located in license area 2012A offshore in the economical waters of Namibia (the “Cooper Block”). The Company holds a 32.5% working interest in the Cooper License, NAMCOR holds a 10% working interest (carried by the Company and Tullow collectively), AziNam Ltd. (“AziNam”), holds a 32.5% working interest, and Tullow Namibia Limited, a wholly owned subsidiary of Tullow Oil plc (“Tullow”), holds a 25% working interest.

ii. Pursuant to the AziNam Farm-out Agreement, AziNam funded 40% of the Company’s share cost for the first 500 square kilometer of a 1,000 square kilometer 3D seismic survey on the Cooper Block (capped at US$2,080,000).

6. Petroleum and Natural Gas Licenses (continued)

(iv) The Cooper License (continued)

iii. On July 17, 2014, the Company entered into a farm-out agreement with a wholly owned subsidiary of Tullow, pursuant to which Tullow acquired a 25% working interest in the Cooper License in return for a carry (capped at US$4,103,000), of the Company's share of costs to execute and process a 1,097 square kilometers 3D seismic survey and the reimbursement of 25% of the Company's past costs to March 31, 2014 (the "First Tullow Transfer").

iv. Tullow has an option to acquire an additional 15% working interest in the Cooper License in return for a carry of the Company's share of costs to drill an exploration well on the Cooper Block (capped at $18.17 million) and the reimbursement of 17.14% of the Company's past costs (the "Tullow Option"). There is no guarantee that Tullow will exercise the Tullow Option.

v. In connection with the completion of the First Tullow Transfer, the Company's work commitments on the Cooper License were further amended.

vi. Pursuant to the Company's farmout agreement with Tullow Namibia Limited ("Tullow"), as amended on February 1, 2017 (the "Tullow Amended Farmout Agreement"), if Tullow elects to proceed into the second renewal exploration period or commits to drill an exploration well on the Cooper License before such time, Tullow will acquire from the Company an additional up to 15% working interest in the Cooper License and become the Operator of the Cooper License. In addition, subject to a minimum contribution of US $2.25 million by the Company, Tullow will carry the Company in respect of the Company's share of any drilling costs in relation to the first exploration well (if proposed and drilled by Tullow) up to a total well cost of US $35 million.

vii. In addition, Tullow will reimburse the Company for 17.14% of all past costs incurred and paid for by the Company in respect of the Cooper License. If Tullow elects not to proceed into the second renewal exploration period, then it will be deemed to have transferred back to the Company its entire 25% working interest and will remain obliged to carry the Company in respect of: (i) the Company's working interest share of the costs, which the Company has agreed to participate in and which were approved by the operating committee and the parties to the Cooper JOA (as hereinafter defined); and (ii) the seismic carry (to the same extent Tullow would have been liable for had it not elected to transfer its working interest).

viii. On April 15, 2016, the Ministry approved the entering the next phase of the Cooper License which has been extended into the first Renewal Phase until March 14, 2018. The Second Renewal phase is until March 2020. The Ministry also waived the relinquishment requirement (as stipulated in the Petroleum Agreement), and the partners will continue the exploration work on the entire block area.

6. Petroleum and Natural Gas Licenses (continued)

(iv) The Cooper License (continued)

ix. As of June 30, 2017, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Cooper License is as follows:

Exploration Activities(1)	**Expenditure (US$)**	**Company's share of Expenditure (US$)(2)**
By March 31, 2018 • Resource assessment and production assessment - completed	-	-
By March 31, 2020 • After interpretation of 3D survey, drill exploratory well • Offtake/production engineering	35,000,000 500,000	2,250,000 125,000
By March 31, 2021 • Complete and interpret a 500 square kilometers 3D seismic survey	1,400,000	350,000
Total	36,900,000	2,725,000

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.

(2) These numbers assume that the Second Transfer will be completed and the Company's working interest will be 25%. There is no guarantee that the Second Transfer will be completed. If the Second Transfer is not completed, the Company's share of the Expenditure will be 63.9%.

(v) The Sharon License

i. The Sharon License covers 5,000 square kilometers and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the "Sharon Blocks"). The Company holds a 60% working interest in the Sharon License, NAMCOR holds a 10% carried interest (by the Company), and AziNam holds a 30% interest.

ii. On April 15, 2016, the Ministry approved the entering the next phase of the Sharon License, which has been extended into the first Renewal Phase until March 14, 2018. The Second Renewal phase is until March 2020. The Ministry further approved the Company's request to terminate 50% of its licensing obligation corresponding with the relinquishment of 50% of the acreage in the license which was a requirement of the Petroleum Agreement. This relinquishment pertains to the eastern half of the Sharon Block. The Company considers this shallow section non-prospective.

iii. Pursuant to the Azimuth Farm-out Agreement, Azimuth funded 100% of the 3,000 kilometer 2D seismic survey recently acquired for the Sharon Block. Furthermore, Azimuth will fund 55% of a 1,000 kilometer square 3D seismic survey on the Sharon Block.

6. Petroleum and Natural Gas Licenses (continued)

(v) The Sharon License (continued)

iv. As of June 30, 2017, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Sharon License is as follows:

Exploration Activities(1)	Expenditure (US$)	Company's share of Expenditure (US$)
By March 31, 2018		
• Complete and interpret a 500 square kilometers 3D seismic survey	3,500,000	1,575,000
• Resource assessment and production assessment - completed	-	-
By March 31, 2019 and 2020		
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	30,000,000	20,010,000
• Offtake/production engineering	500,000	333,500
By March 31, 2021		
• Complete and interpret a 500 square kilometers 3D seismic survey	1,400,000	933,800
Total	34,500,000	22,852,300

(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.

(vi) The Guy License

i. The Guy License covers 5,000 square kilometers and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the "Guy Block"). The Company holds a 50% working interest in the Guy License, NAMCOR holds a 10% carried interest (by the Company) and AziNam holds a 40% interest. The Company and AziNam proportionally carries NAMCOR's working interest during the exploration period. As of July 1, 2015, AziNam assumed the role of operator with respect to the Guy License.

ii. On May 12, 2016, the Ministry approved the entering the next phase of the Guy License, which has been extended into the first Renewal Phase until March 14, 2018. The Second Renewal phase is until March 2020. The Ministry further approved the Company's request to terminate 50% of its licensing obligation corresponding with the relinquishment of 50% of the acreage in the license which was a requirement of the Petroleum Act. This relinquishment pertains to the western portion of the Guy block in the ultra-deep section that the Company and its operating partner, AziNam, consider non-prospective.

iii. Pursuant to the Azimuth Farm-out Agreement, Azimuth funded 100% of the cost for the shooting and processing of the completed 1,000 kilometer 2D seismic survey on the Guy Block. Additionally, Azimuth funded 66.44% of the costs of an 8,700 square kilometer 3D seismic survey on the Guy Block.

iv. The execution of the 3D seismic survey is complete and processing and interpretation of the Guy Survey is due to be completed during the fourth calendar quarter of 2017.

7. Petroleum and Natural Gas Licenses (continued)

(vi) The Guy License (continued)

v. As of June 30, 2017, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Guy License is as follows:

Exploration Activities[(1)]	Expenditure (US$)	Company's share of Expenditure (US$)
By March 31, 2018 • Resource assessment and production assessment - completed	-	-
By March 31, 2019 and 2020 • Assuming a target has been defined after interpretation of 3D survey, drill exploratory well • Offtake/production engineering	35,000,000 500,000	19,460,000 278,000
By March 31, 2021 • Complete and interpret a 500 square kilometers 3D seismic survey	1,400,000	778,400
Total	36,900,000	20,516,400

(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.

(vii) The Tamar License

i. The Tamar License covers approximately 7,500 square kilometres and is located in license areas 2211B and 2311A offshore in the economical waters of the Republic of Namibia. PAO Namibia holds an 80% working interest in the Tamar License (the Company's net interest is 72% due to its 90% ownership of PAO Namibia), Spectrum Geo Ltd. holds a 10% working interest, and NAMCOR holds a 10% working interest.

ii. The first exploration period for the Tamar Licence expired in March 2016 and has not yet been formally extended, however, the Directors believe that the Group still retains the Tamar Licence and it has received a letter from the Petroleum Commissioner of Namibia confirming that all work required the first exploration period on the Tamar Licence was completed.

7. Petroleum and Natural Gas Licenses (continued)

(vii) The Tamar License (continued)

iii. As of June 30, 2017, the outstanding Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Tamar License is as follows:

Exploration Activities[(1)]	Expenditure (US$)	Company's share of Expenditure (US$)
By March 31. 2018 • Complete and interpret 500 kilometers^2 3D seismic survey • Evaluation of farm-out and relinquishment of part (original 25%) or all of the Tamar Block	1,400,000	1,400,000
By October 31, 2019 • Drill exploratory well (subject to the availability of adequate drilling rigs)	35,000,000	35,000,000
Total	36,400,000	36,400,000

(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.

(viii) As of June 30, 2017, the Company has recorded $125,077 (March 31, 2017 - $169,868) as advance from license partners related to funds received in advance of the Company incurring applicable operating costs to which the advances can be applied and amounting owing to license partners.

8. Related Party Transactions and Balances

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

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
Salaries, operating and consulting fees and benefits	**$ 219,220**	$ 243,887
Stock-based compensation	**837,200**	-
	$ 1,056,420	$ 243,887
Number of people	**7**	6

These transactions are in the ordinary course of business and are measured at the amount of consideration set and agreed by the related parties.

As at December 31, 2016, $92,811 (March 31, 2016 - $148,983) were amounts owing to executive directors and officers of the Company included in accounts payable and accrued liabilities.

9. Share Capital

Authorized: Unlimited Common Shares

Issued		Common Shares	Amount $	Shares to be issued $	Restricted Share Units Reserve $
Balance, March 31, 2016		**85,044,025**	**20,838,056**	**176,580**	**216,114**
Repurchase and cancellation of Shares		(1,823,500)	(338,257)	-	-
Shares issued on vesting of Restricted Share Units					
From March 23, 2016		708,700	136,079	-	(136,079)
From August 5, 2016		216,736	41,180	-	3,420
From November 28, 2016		-	-	-	100,574
Shares issued in AIM listing		32,900,498	6,108,037	-	-
Pan African Oil Amalgamation shares issued		1,203,374	176,580	(176,580)	-
Balance, March 31, 2017		**118,249,833**	**26,961,675**	**-**	**184,029**
Shares issued on vesting of Restricted Share Units	(i)	433,600	95,932	-	(95,932)
Non-vested Restricted Share Units	(ii)	-	-	-	1,046,500
Shares issued on vesting of Restricted Share Units	(iii)	-	-	-	2,200
Shares issued for services	(iv)	-		17,500	-
		118,683,433	**27,057,067**	**17,500**	**1,137,377**

(i) 433,600 of the 1,002,600 RSU's, granted on March 23, 2016, were issued, and the fair value of those RSU's ($95,932) were released from Shares to be Issued in the Statement of Equity to Contributed Surplus

(ii) On June 8, 2017, 3,500,000 RSU's were granted to certain directors officers and consultants of the Company as compensation and success fees in relation with the AIM admission and Company's portfolio and operational developments. The RSU's vested immediately on the grant date. These RSU's had a fair value $1,046,500 ($0.299 per unit) based on the volume weighted average market price of the Common Shares for the five preceding days before the grant date. This amount has been charged to Share based Compensation in the Statements of Operations and Comprehensive Loss and as at June 30, 2017, none of the shares have been issued and therefore the entire amount has been credited to Shares to be Issued in the Statement of Equity.

(iii) On November 28, 2016, 400,000 RSU's were granted to certain officers of the Company. These RSU's had a fair value of $0.22 per unit based on the volume weighted average market price of the Common Shares for the five preceding days before the grant date. The total fair value of the RSU's amounted to $88,000. These RSU's will vest upon the achievement of certain milestones and expire on November 27, 2026. Management estimates that there is currently a 100% probability that the milestone will be achieved, and as such, the fair value of the RSU's was charged to share-based compensation over the vesting period of the RSU. $2,200 was recognized as share-based compensation expense for the three months ended June 30, 2017 with a corresponding credit to Shares to be issued in the Statement of Equity.

(iv) On June 28, 2017, the Company granted 62,500 shares to a UK consultant for services provided. The fair value of the shares on the grant date was $17,500. As of June 30, 2017, the shares have not yet been issued, $17,500 has been credited to Shares to be Issued in the Statement of Equity.

10. Warrants

A summary of warrants outstanding at June 30, 2017 was as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 31, 2016	-	-
Granted during the AIM listing	3,702,935	0.29
Balance, March 31, 2017 and June 30, 2017	**3,702,935**	**0.29**
Granted during the period (i)	17,813	0.29
Balance, June 30, 2017	**3,702,748**	**0.29**

(i) On June 1, as a result of the last-minute increase to the proceeds of the UK placing associated with the Company's admission to AIM, and in accordance with the Company's contractual obligations to Strand Hanson Limited, an additional 17,813 warrants were issued to Strand Hanson Limited. These warrants are issued on the same terms as those set out in the Admission Document dated February 2, 2017.

11. Stock Options

A summary of the status of the Plan as at June 30, 2017 and changes during the period is as follows:

	Number of stock options	Weighted average exercise price $	Remaining contractual life - years
Balance, April 1, 2015	**8,473,400**	**0.54**	**2.51**
Granted	650,000	0.30	-
Balance, March 31, 2016	**9,123,400**	**0.53**	**1.76**
Cancelled	(1,098,000)	1.21	-
Expired	(155,400)	0.59	-
Balance, March 31, 2017	**7,870,000**	**0.30**	**4.15**
Granted (i)	250,000	0.36	-
Balance, March 31, 2017	**8,120,000**	**0.30**	**3.91**

(ii) On March 23, 2016, 250,000 options were issued to a director. These options are exercisable for a maximum period of five years from the date of the grant and vest as to one third on grant date and one third on each anniversary date of the grant for the following two years. The fair value of the options granted was estimated at $35,677 using the Black-Scholes option pricing model, using the following assumptions: Expected option life 5 years; Volatility 62.67%; Risk-free interest rate 1.28%; Dividend yield 0%

(iii) Share-based compensation expense is recognized over the vesting period of options. During the three months ended June 30, 2017, share-based compensation of $29,698 (June 30, 2016 – $10,526) was recognized based on options vesting during the period.

(iv) As at June 30, 2017, 7,736,667 options were exercisable (March 31, 2016 – 7,653,333).

12. Asset Retirement Obligations ("ARO")

The Company is legally required to restore its properties to their original condition. Estimated future site restoration costs will be based upon engineering estimates of the anticipated method and the extent of site restoration required in accordance with current legislation and industry practices in the various locations in which the Company has properties.

As of June 30, 2017 and 2016, the Company did not operate any properties, accordingly, no ARO was required.

13. Capital Management

The Company considers its capital structure to consist of share capital, deficit and reserves. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of its licenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is a development stage entity; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during three month period ended June 30, 2017. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company's ability to raise future capital is subject to uncertainty and the inability to raise such capital may have an adverse impact over the Company's ability to continue as a going concern *(Note 2).*

14. Risk Management

a) Credit risk

The Company's credit risk is primarily attributable to short-term investments and amounts receivable. 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. Government receivable consists of value added tax due from the Namibian government which has been collected subsequent to year end. Management believes that the credit risk concentration with respect to amounts receivable is remote. The Company does not hold any non-bank asset backed commercial paper.

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 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.

As at June 30, 2017, the Company had cash and cash equivalents and on deposit of $4,992,936. (March 31, 2017 - $6,088,567) and short-term investments of $49,818 (March 31, 2017 - $49,818) to settle current liabilities of $584,651 (March 31, 2017 - $800,629).

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 June 30, 2017 all have contractual maturities of less than 90 days and are subject to normal trade terms.

d) Foreign currency risk

The Company is exposed to foreign currency fluctuations on its operations in Namibia, which are denominated in Namibian dollars. Sensitivity to a plus or minus 10% change in rates would not have a significant effect on the net income (loss) of the Company, given the Company's minimal assets and liabilities designated in Namibian dollars as at June 30, 2017.

15. 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 submitted work plans for the development of the Namibian licenses, see *Note 6* for details.

16. Operating Costs

Operating costs consist of the following:

	Three Months Ended June 30, 2017	2016
	Unaudited	
Exploration data acquisition and interpretation and technical consulting	**$ 378,241**	$ 273,160
Exploration license fees	**158,993**	78,237
Travel	**57,211**	33,857
Recovered under JOAs	**(23,109)**	(14,051)
	$ 571,336	$ 371,203

17. General and Administrative Costs

General and administrative costs consist of the following:

	Three Months Ended June 30, 2017	2016
	Unaudited	
Occupancy and office expenses	**$ 15,778**	$ 46,958
Travel expenses	**47,939**	36,003
Public company costs (*)	**96,836**	27,609
Insurance	**13,328**	2,529
Financial services	**3,525**	2,183
Advertising and communication	**719**	199
Depreciation	**-**	223
Recovered under JOAs	**(5,550)**	(7,698)
	$ 172,575	$ 108,006

(*) Includes shares based compensation in the amount of $17,500 for the three months ended June 30, 2017 (Nil – for the three months ended June 30, 2016)

18. Comparative Figures

The comparative figures have been adjusted to reflect the current period's presentation.

19. Subsequent Events

(i) On August 4, 2017, the Company cancelled 262,500 shares that had been repurchased during the year ended March 31, 2107 under the terms of the its intended normal course issuer bid (the "2016 Issuer Bid"), in which the Company was allowed to acquire up to 6,491,870 Common Shares from time to time in accordance with Exchange procedures, representing approximately 10% of the total number of the Common Shares held by public shareholders as at the date of the Exchange approval. As of August 4, 2017, all the shares purchased under the 2016 Issuer Bid have now been cancelled.

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