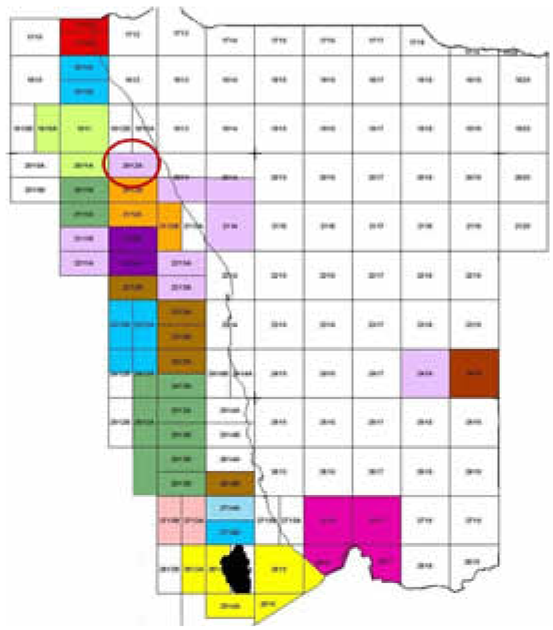
# Canada's Eco Atlantic Oil & Gas making strong headway in Namibia and Ghana

07 Aug 2014 by Martin Clark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It has been a busy month for Canadian junior Eco Atlantic Oil & Gas, a company that may be unfamiliar to many Oilbarrel.com readers. The TSX Venture group is focused on West Africa's lucrative (but by no means a sure thing) upstream industry, most recently gaining entry to Ghana, one of the region's newest producers.

Here, it has just been given the green light to acquire an operating stake in the Deepwater Cape Three Points West block, in the Tano Cape Three Points Basin, adjacent to Tullow Oil's giant Jubilee field. It's a big leap forward for the company into one of Africa's hottest properties.

For the most part, Eco Atlantic is best known for its work in Namibia, where it holds four petroleum licenses and recently agreed a farm-out deal with Tullow. Its Namibian portfolio includes three offshore blocks in the Walvis Basin, spanning an area of more than 25,000 sq km, plus an additional block of similar size that includes both onshore and offshore areas. The company has been active in this territory for over five years and is now looking to step up its game with the help of some solid partners.

That includes Tullow, of course, which agreed to take on up to a 40 per cent of Block 2012A (the Cooper block) in the Walvis Basin. Tullow's no stranger to this corner of Africa either with its involvement for many years in the near-legendary Kudu gas field. Crucially, the farm-out deal with one of Africa's pre-eminent and successful explorers gives Eco Atlantic a free carry for an upcoming 1,000 sq km seismic shoot.

And there was more news this week as Eco Atlantic farmed out an additional 10 per cent interest in its offshore Blocks 2111B and 2211A (known as the Guy block) to long-standing partner Azimuth Namibia (AziNam). In return, AziNam will bear an additional 10 per cent of the operating costs on the Guy block as well as carry 10 per cent of the interest of state energy firm, NAMCOR.

In more detailed terms, that means AziNam will take on over half the cost of a 1,000 sq km 3D survey of the area, scaling back any financial commitment from Eco Atlantic.

The Canadian independent still retails operatorship but will see its stake in this block shrink to 60 per cent, with AziNam on 30 per cent, and NAMCOR on a 10 per cent carried interest.

"Recent farmout initiatives, including the recently disclosed transaction with Tullow in which our financial costs on the Cooper Block are now fully carried, reflects Eco Atlantic's strategy of reducing financial exposure by attracting experienced, high quality industry partners," said an enthusiastic Gil Holzman, Eco Atlantic's president and chief executive.

The company's technical team is now working on the logistics for the Guy and Cooper blocks and defining a plan for the Sharon block too in the next few weeks.

This is a potentially transformational time for the little-known oil junior. Yes, there's plenty of legwork still to do, including the seismic shoot, but with the financial risk trimmed, investors can sit back and watch in greater comfort.  Entry to the higher profile Ghanaian market may well help propel the Eco Atlantic name in the eyes of the financial community too, although it wouldn't hurt either to court investors in London, which maintains a close eye on all things West Africa.  Either way, things are moving fast for this dynamic Canadian hopeful.