



Eco Oil & Gas

Jul 17th 2014

Eco Atlantic inks farm-out deal with Tullow Oil

Eco (Atlantic) Oil & Gas Ltd. (CVE:EOG), an oil and gas exploration company focused on Namibia, has executed a farm-out agreement with Tullow Kudu Ltd., a wholly owned subsidiary of Tullow Oil plc.

Tullow has agreed to acquire up to a 40 percent interest in Block 2012A, situated in the Walvis Basin, offshore Namibia, Toronto-based Eco said in a statement today.

This farm-out, in conjunction with Eco Atlantic's prior farm-out to Azimuth for 20 percent, nets the company a 100 percent carry of all costs on an expanded 1,000 km² 3D seismic survey and interpretation. The seismic program is expected to start the fourth quarter.

Dependent on the establishment of a target from the seismic program, Tullow has also committed to a full carry of cost to drill an exploration well on the Block.

Under the deal, Eco will initially transfer a 25 percent working interest in the Cooper Block to Tullow in return for a carry of the company's share of costs to execute and process the seismic program, and the reimbursement of 25 percent of the company's past costs in an amount to Eco Atlantic of approximately \$1 million.

Following the first transfer, if Tullow elects to participate in the drilling of an exploration well on the Cooper Block, Tullow will be transferred an additional 15 percent working interest in the block, in return for a full carry of the company's share of costs to drill an exploration well on the Block (capped at \$53 million) and the reimbursement of an additional 15 percent of the past costs.

Eco Atlantic will remain operator until the second transfer, at which time, Tullow will be appointed as operator of the Cooper Block.

The deal still requires the approval of Namibia's Ministry of Mines and Energy and various approvals of the other Block participants.

Eco Atlantic currently holds a 70 percent working interest in the Cooper Block, AziNam Limited holds a 20 percent working interest, and NAMCOR, the Namibian national oil company, holds a 10 percent working interest.

Following the first transfer, Eco will hold a 45 percent working interest in the Cooper Block, Tullow will hold a 25 percent working interest, and AziNam and NAMCOR will retain their respective working interests.

"This provides the requisite financing to progress activities on the Cooper Block, and further validates our exploration work and findings to date," Eco Chief Executive Officer Gil Holzman said in the statement.

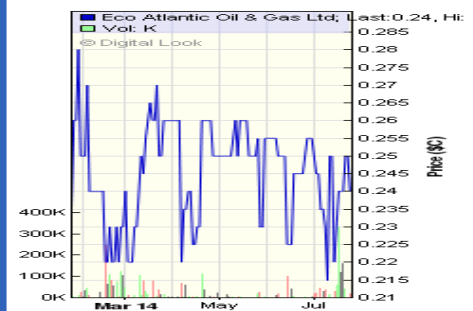
Shares of Eco gained 4.4 percent to 24 Canadian cents at 1:50 p.m. in Toronto, paring this year's slump to 20 percent.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts

Price: C\$0.24

Market Cap: C\$16.55M

1 Year Share Price Graph



Share Information

Code: EOG
Listing: TSX-V
Sector: Oil & Gas Exploration & Production
Website: www.ecoilandgas.com

Company Synopsis:

Eco (Atlantic) Oil & Gas (TSX-V: EOG) is an integrated oil and gas exploration company focused on the new and burgeoning petroleum opportunity in Namibia. Recent offshore 2D and 3D exploration by Chariot Oil and Gas (CHAR:LN), HRT (Previously UNX Energy Corporation) (TSX: V:HRP), and Tower Resources (TRP:LN) have determined resource potential of 16.8 billion barrels.

Author:
Mourad Haroutunian +44(0)1202770386
 action@proactiveinvestors.com



journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us ■ +44 (0)1202 770386 ■ action@proactiveinvestors.com

No investment advice

Proactive Investors UK Limited, trading as "Proactiveinvestors United Kingdom", is authorised and regulated by the Financial Services Authority. Registered in England with Company Registration number 05639690. Group VAT registration number 872070825 FSA Registration number 559082. You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.