

OIL & GAS FLASHNOTE

Eco (Atlantic) Oil & Gas (ECO LN)

29 June 2018

Stock Data

Share Price:	31.70p
Market Cap (M):	£49.9m
EV (M):	£41.3m
Free float	66%
Liquidity (30 day ave)	171,000

Price Chart



52 Week Range

17.125p
41.00p

31.70p

Company Summary

Eco (Atlantic) Oil & Gas is an exploration company with assets in Guyana and Namibia

Source: Bloomberg

Another discovery in Guyana

Event

ExxonMobil and Hess have announced another material discovery in Guyana. The Longtail-1 well encountered 78m of net oil pay in a high-quality sandstone reservoir. Discovered resources attributed to the Longtail and Turbot discoveries (located 5m away) are estimated at more than 500mmbbl.

In Namibia, Eco has also confirmed that it has been granted a one-year extension, to 20 March 2019, for the Tamar Block. The planned activity prior to the end of this period is the continuing review of existing 2D seismic.

Comment

While the confirmation of another discovery located close to Eco's acreage in Guyana is clearly encouraging, the lack of a share price reaction demonstrates that the narrative now needs to move on. The announcement that processing and interpretation of the 3D seismic acquired over the Orinduik Block is nearing completion, provides this opportunity and we look forward to the publication of the results, as this is likely to provide the next material catalyst for the share price.

We are also closely watching the outcome of the Cormorant-1 well, which is due to be drilled by Tullow Oil in September 2018 and will have important readacross for Eco's acreage in Namibia.

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Research Disclosures

William Arnstein

Will is a CFA charterholder and has more than 10 years' experience as a sell-side equity research analyst having previously worked at Dresdner Kleinwort, Jefferies International and finnCap. In his last role, he co-founded the Oil & Gas franchise at finnCap and later became Head of Oil & Gas, where he also coordinated corporate finance and corporate broking in addition to his responsibilities as a Research Director. During his career, Will has worked closely with many international E&P companies, both listed and private, evaluating assets across the globe and has developed particular expertise in petroleum economics and asset valuation. In 2010, Will was awarded No.1 stock picker for the European energy sector in the FT/Starmine Awards.

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Research disclosure as of 29 June 2018

Company Name	Disclosure
Eco (Atlantic) Oil & Gas (ECO LN)	1,2,5,7,8

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