

OIL & GAS FLASHNOTE

Eco (Atlantic) Oil & Gas (ECO LN)

03 September 2018

Stock Data

Share Price:	39.0p
Market Cap (M):	£62.1m
EV (M):	£54.5m
Free float	64%
Liquidity (30 day ave)	158,070

Price Chart



52 Week Range

17.125p | 39.0p
39.0p

Company Summary

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

Latest Guyana discovery de-risks Orinduik

Event

ExxonMobil and Hess have announced a ninth discovery on the Stabroek block in a new play type. The Hammerhead-1 well encountered 60m of high-quality, oil-bearing sandstone reservoir in water depths of 1,150m. The well was located 21km southwest of Liza and 7km from Eco (Atlantic) Oil & Gas's Orinduik licence. This latest discovery adds to the more than 4 billion barrels of discovered resources on the block. A second rig for exploration is due to arrive in Guyana in October as the pace of drilling activity increases.

Comment

The discovery of oil in a turbidite channel system downdip of the Orinduik block is a very positive event for Eco. Interpretation of regional 2D seismic and the recently acquired 3D seismic has revealed that these channel systems, including the one tested by Hammerhead-1, extend into the Orinduik block, de-risking both oil migration and reservoir. Interpretation of the 3D seismic is close to completion and the Orinduik partners will then be able to select a preferred well location ahead of drilling in mid-2019. In the interim, Eco will be publishing a CPR on the Orinduik acreage.

William Arnstein

Tel: +44 (0)20 3463 5020

william.arnstein@brandonhillcapital.com

www.brandonhillcapital.com

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.

Tel: +44 (0)20 3463 5020

william.arnstein@brandonhillcapital.com

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Research disclosure as of 03 September 2018

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

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Brandon Hill Contact List

International Sales

Oliver Stansfield

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

Corporate Finance & Broking

Jonathan Evans

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

Wei Jiao

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

Research

William Arnstein

Tel: +44 20 3463 5020

Email: william.arnstein@brandonhillcapital.com

Robert Beenstock

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com

Peter Rose

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

Enzo Aliaj

Tel: +44 20 3463 5026

Email: enzo.aliaj@brandonhillcapital.com