Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2019

echo
ENERGY

Echo Energy is a well-balanced, Latin America focused, full cycle E&P company with a current portfolio centred on the onshore Austral Basin, Argentina. The portfolio comprises of a significant production base, with enhancement opportunities, in combination with high impact exploration acreage.

Echo Energy's growth strategy targets both near-term, lower risk and cost options and longer-term acquisitions and exploration potential, with a disciplined approach to delivering shareholder value from its existing portfolio and new opportunities.

Echo maintains its philosophy of equitable treatment and open communication with all our stakeholders and the communities in which we operate.

Contents

Strategic Report

Key Highlights	1
Chairman's and CEO's Statement	2
Business Model	5
Strategy & KPIs	6
Latin American Opportunities	8
Assets	10
Portfolio	11
Operational Review	12
Sustainability Review	14
Managing Risks	16
Stakeholder Engagement	18
Financial Review	20

Governance

Corporate Governance Statement	24
Health and Safety Review	30
The Team	32
Directors' Remuneration Report	34
Directors' Report	36
Statement of Directors' Responsibilities	38

Financial Statements

Auditor's Report	39
Consolidated Statement of Comprehensive Income	43
Consolidated Statement of Financial Position	44
Company Statement of Financial Position	45
Consolidated Statement of Changes in Equity	46
Company Statement of Changes in Equity	47
Consolidated Statement of Cash Flows	48
Company Statement of Cash Flows	49
Notes to the Financial Statements	50
Shareholder Information	78

Key highlights

152,819 boe

Total production

Delivered 1st well

4Q 2019

$1m reduction of G&A

Successful restructuring of portfolio

Santa Cruz Sur

- Completed acquisition of 70% non-operated interest in five mature producing blocks, Santa Cruz Sur, in November 2019
- Producing asset with 2,505 boepd net to Echo (70% interest) for November & December 2019
- Provides a strong reserves base to portfolio. Net Company reserves as of end 2019 were 3.8 MMboe 1P & 12.1 MMboe 2P*
- Campo Limite exploration well (spud in Q4 2019) on Palermo Aike block close to Chilean border
- Low cost production maximisation opportunities
- Total production post acquisition: 152,819 boe

Tapi Aike

- Completed 3D seismic acquisition over 1,200km²
  - Processing of eastern cube completed
  - Drill location in eastern Chiripa Oeste identified
- First drill in 4Q 2019 (Chiripa Oeste spud) and completed on time (post-period)
- Processing of western cube (Travesia de Arriba) completed post-period

Corporate

- Successful relinquishment of liabilities associated with CDL licences
- Successful re-structuring of partnership in Tapi Aike to 19% interest with no carry
- Completion of Santa Cruz Sur acquisition at a deep discount to 2P reserves valuation providing cashflow and near field exploration potential
- Continued cost-cutting and streamlining of General & Administrative ("G&A") – gross G&A expenses are US $1million lower than 2018 levels

"We started 2019 with the seismic acquisition campaign across Tapi Aike, safely acquiring 1,200km² worth of quality data on schedule and on budget and then ended the year with our first well in the Tapi Aike block, the culmination of a tremendous amount of work. During the year we successfully restructured our portfolio, relinquishing assets without future growth, 'rightsized' our interest in Tapi Aike and made the important acquisition of producing assets with a strong reserves base in Santa Cruz Sur. This brought cash-generation into the business along with a pipeline of development opportunities and additional near-field exploration potential, with a second exploration well spud before year end. Although 2020 has brought with it some very serious global challenges, the work Echo accomplished in 2019, and the team that we have in place, means we are well positioned to meet these challenges and maximise the value creation potential from our existing portfolio and look to positively move forward with further future value creation opportunities. "

Martin Hull, Chief Executive Officer

* Evaluated in accordance with the Petroleum Resource Management System ("PRMS")

Chairman's and Chief Executive Officer's Statement

James Parsons
Non-Executive Chairman

Martin Hull
Chief Executive Officer

Activities across 2019 have continued apace for Echo Energy plc (the "Company") and its subsidiaries ("Echo" or the "Group") as it continues to execute against its Latin American growth strategy. In line with this strategy, the Company secured a significant production asset and reserve base in Santa Cruz Sur ("SCS") in November 2019, which has enabled Echo to diversify its portfolio and brings with it a revenue stream capable of further growth.

Argentina

Santa Cruz Sur

In November 2019, Echo completed the acquisition of a 70% non-operated working interest in the Santa Cruz Sur package of five mature producing blocks from Petrolera El Trebol S.A. ("PETSA") (a subsidiary of Phoenix Global Resources plc). The addition of these assets has provided material production to the Group as the foundation of a balanced, revenue-generating portfolio with a strong reserves base. These assets also bring significant upside from relatively low-risk production enhancement options and exciting near-term drilling opportunities.

At the end of 2019 Santa Cruz Sur's 1P net company reserves base stood at 3.8 MMboe for 1P and 12.1 MMboe respectively for 2P (net to a 70% interest), illustrating the significance of this acquisition. At year end 2018 the Company had no reserves base, and at the end of 2019 the SCS transaction has enabled the company to book material reserves.

Prior to Echo's acquisition of the licences on 1 November 2019, production across the 5 licences in H1 2019 period was approximately 3,687 boepd (2,581 boepd, including 587bbls of oil per day net production to a 70% interest). Total net production in the period from 1 November 2019 to 31 December 2019 net to Echo was 34,466 bbls of oil and 710 MMscf of gas.

The Campo Limite exploration well ("CLix-1001") on the Palermo Aike concession was spud in late December 2019. The cost of this well, corresponding to Echo's interest, was paid for by the previous owner of the concession, PETSA, as part of the acquisition agreement. At year end drilling of the well had begun targeting a conventional Springhill reservoir on a structure located two kilometres from the Chilean border. Post-period, the well reached total depth on 20 January 2020 and completion and testing will be required to assess the commerciality of the well. Unfortunately, testing of this well has been interrupted due to travel restrictions imposed as a result of the global Covid-19 pandemic. Well testing activities will resume as soon as practicable and the project remains a priority for 2020.

Tapi Aike

The Tapi Aike block remains one of the most underexplored licence blocks in the basin. The acreage has three wells with interpreted gas presence, existing 2D seismic and partial 3D seismic. The block also benefits from the identification of three highly prospective independent gas exploration plays and one oil play. For much of 2019 the activity on the licence focused on the 3D seismic acquisition programme, with UGA Seismic S.A. ("UGA") shooting a total of 1,200km² of new 3D seismic data across the Tapi Aike licence. The seismic acquisition was completed on time and on budget and the data was subsequently processed by highly experienced teams: Wellfield Services Ltda. for Chiripa Oeste and Seismic Prospect S.R.L for Travesia de Arriba, both in Buenos Aires. In November the company and its partner spudded the Campo La Mata well ("CLM x-1") on the newly acquired eastern cube (Chiripa Oeste), with the primary target of the well being a stratigraphic trap ("Magallanes 20"), at with secondary targets in deeper and shallower intervals. At year end we had reached total depth and the initial wireline log results were sufficiently encouraging to move to completion and hydraulically stimulate the formation and test the well. Post-period, we undertook these testing operations and announced a non-commercial gas discovery in February 2020. Interpretation of the newly acquired 3D seismic continues to progress and at year end processing on the western cube (Travesia de Arriba) was almost complete.

Bolivia

As announced in our half-year report in September 2019, the Board believes that while there is potential on the Huayco and Rio Salado blocks, the opportunities present there are not currently compatible with the Company's strategy, in part due to the extremely high cost of exploration drilling on the block and the soft farm-out market. Echo continues to evaluate the best route to maximise shareholder value in relation to the Bolivian position.

Corporate

2019 has seen management changes with the appointment of Martin Hull as Chief Executive Officer and Fiona MacAulay stepping down from the Board as Non-Executive Director.

Following the drilling campaign on the Fracción C, Fracción D, and Laguna De Los Capones concessions ("CDL"), the Board conducted a portfolio review and seeing relatively limited remaining upside for shareholders in CDL, in May 2019 the Company negotiated and agreed an accelerated close of the initial phase of works on CDL with Compañia General de Combustibles S.A. ("CGC"). This resulted in Echo withdrawing from its interests and liabilities under the CDL concessions prior to the commencement of the second stage of works on CDL, in accordance with the terms of the CDL farm-out agreement, thereby enabling Echo to focus on Tapi Aike. Echo now holds a 19% interest in the Tapi Aike licence, ending the previous carry arrangement and significantly lowering its capital needs with regard to the drilling programme.

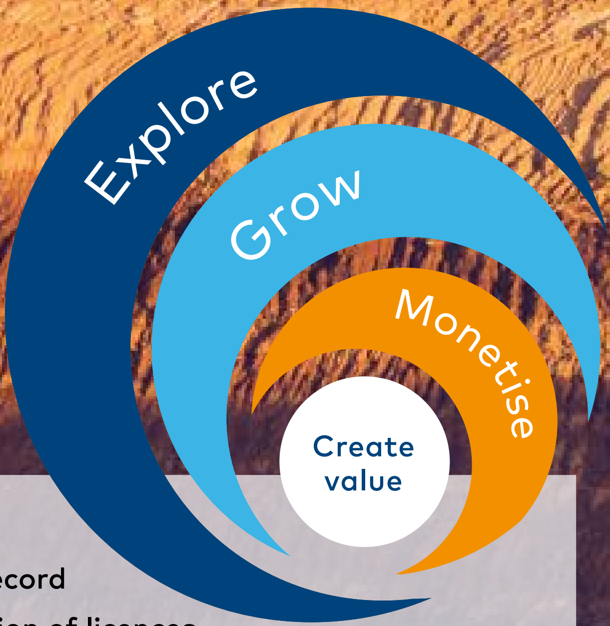
Post-Period Events

Post-period, 2020 has delivered some extremely challenging conditions from a human and an economic perspective. The impact of the OPEC+ price war combined with the demand destruction caused by Covid-19 created unprecedented downward forces on the oil and gas price and for the first time, we witnessed negative pricing for WTI. The Company acted quickly to mitigate the impact of these challenges and engaged in a renegotiation of the Company's debt, which has recently been successfully concluded. The Company has materially reduced its G&A and capital expenditure with reductions and deferrals which have resulted in lower field costs. The reduction of field costs was a stated aim following the SCS acquisition. The Company has also refocused its attention on its producing gas assets which benefit from a more robust pricing environment. We believe that the rapid actions which the Company has taken to reduce costs and streamline the operational part of the business stands us in good stead to weather this unprecedented storm and to grow the business as global activity and demand returns. We believe we have the right team in place to do this and look forward positively to the opportunities ahead.

James Parsons
Non-Executive Chairman

Martin Hull
Chief Executive Officer

Business Model



Key Resources

- Highly experienced team with proven track record
- Diversified portfolio production and exploration of licences in Latin America
- Active business development focus
- Prudent cost management with strong focus on safe and efficient operations
- Leading regional partners

Explore

Exploration-led, committed to targeting acreage positions that have the capacity to deliver substantial portfolio value through the exploration cycle, initiating appraisal drilling campaigns that will provide the opportunity to significantly increase our reserves and resources base.

Grow

We have demonstrated our origination and deal-making capability and continue to seek new corporate and asset acquisition opportunities which further strengthen our position and open new high-impact opportunities. Echo looks to add value to our existing assets by optimising contractual seismic acquisition deals, drilling exploration wells and/or initiating and completing workovers.

Monetise

Executing commercial agreements at strategically correct points in time to ensure that the value of the portfolio is maximised to the benefit of the shareholders. Our team is experienced and set up to execute such deals.

How we create value

We have an exploration and development focused agenda and operate in proven hydrocarbon basins that benefit from existing infrastructure, enabling us to create value through an active operational programme whilst simultaneously building the business through further acquisitions. An exploration-led approach ensures we create value by acquiring high-quality exploration acreage, generating high-grade prospects while operating with a cost-effective focus. This allows us to maximise the risk reward profile of the business while actively pursuing merger and acquisition opportunities. Echo's market position and size enables it to be a nimble and proactive player in Latin America.

Strategy and KPIs

The Key Performance Indicators ("KPIs") are how we measure the performance of our board of directors (the "Board"), executive team and staff against the strategic objectives of the business.

Following the successful completion of acquisitions in 2018 and identifying operational targets, Echo recategorised its strategic objectives into the five areas detailed below: Growth, Asset Performance, Safety & Environment, Funding and Corporate. How the Board has delivered against these new metrics in 2019 is evidenced in the Performance column below.

2019 KPIs

1. Growth

	Measure	Performance
Diversify asset base with further asset or corporate acquisitions to build on the existing Argentinian position	Develop opportunity pipeline and inventory	After extensive evaluation of potential M&A opportunities within Latin America, the Board completed the Santa Cruz Sur acquisition which diversified the portfolio by securing producing assets.
Mature the Bolivian Opportunities	Formalise relationships in country	The Technical Evaluation Agreement ("TEA") for the Rio Salado block, was submitted to the Bolivian authorities on schedule. An extra 180 day was allotted for review. Extension to the Joint Evaluation Agreement ("JEA") with Pluspetrol for the Huayco block was amended to reflect the additional 12 months evaluation period for Rio Salado.

2. Asset Performance

	Measure	Performance
Identify high-grade prospects and schedule Tapi Aike drilling programme	Completion of seismic. Selection of drilling locations	Completed successful 1,200km^2 seismic acquisition. Completion of processing of eastern sector (and western section post-period). First drilling location identified in eastern Tapi Aike block and spud on schedule.
Increase productivity of the existing assets	Increase in boepd of existing wells	Exited poorly performing CDL assets. As soon as acquisition of Santa Cruz Sur was complete, identification of wells for workover programme commenced. Joint Venture-owned Eagle workover rig is planned for use, which lowers costs of workovers. Near-field exploration opportunities also identified, first well spud 4Q 2019.

3. Safety and Environment

	Measure	Performance
Establish high quality safety, reporting and performance		Systems for HSE reporting and review of Operator HSE systems have been implemented and an HSE policy developed and adopted. All non-routine operations are subject to a rigorous HSE review with the Operator prior to start up.

4. Funding

	Measure	Performance
Fund the subsequent development of new business ventures and continued exploration programme	Funds raised	Additional funding, a mixture of debt and equity raised for Santa Cruz Sur acquisition.
Explore opportunities to monetise assets following success	Increase production from asset base	Following completion of Santa Cruz Sur acquisition immediate work began on identifying wells for workovers and pulling jobs to increase production. Cost cutting measures also implemented in the field.

5. Corporate

	Measure	Performance
Safety and Environment		Maintain a clean safety record with no incidents in periods of production and operation.
Cost control		Progress made with significant reductions to G&A while maintaining an active work programme.
Maintain transparent relationship with investors	Regular investor engagement	Regular web-based investor forums were held and direct investor enquiries are always answered. Maintained a measured approach to expectations.
Staff diversity		No additional hiring required given operating circumstances, therefore staff losses not replaced.

2020 KPIs

The 2020 performance of the business and its staff will be measured across both financial and operational functions and is captured in a corporate scorecard. The scorecard is made up of various KPIs and is tracked throughout the year. The Board's and executives' performance are judged on the delivery of the desired outcomes and a summary of these targets is listed below:

- Maximise shareholder value from newly acquired assets;
- Identify and drill high quality prospects for the drilling programme;
- Continue to seek opportunities to diversify asset base with further asset or corporate acquisitions;
- Mature the Bolivian opportunities;
- Explore opportunities to monetise assets following success; and
- Maintain cost control with expenditures appropriate to size and scale of company.

General corporate and operational objectives include HSE, sustainability, cost control, investor support, and staff diversity.

Latin American Opportunities

Echo continues to see great opportunities in Latin America; a region rich in resources. In the near-term, there will be demand headwinds due to the Covid-19 pandemic and the widespread travel and manufacturing restrictions which have been implemented. Nevertheless, the fundamentals remain unchanged, mid to long term energy demand will continue to rise.

A strong demand outlook for energy consumption and economic growth coupled with underdeveloped - but lower cost - onshore plays, makes Latin America a favourable region for Echo to deploy its expertise in support of an exploration-led growth strategy.

Gas Trade Movements Bcf (2019)*

* Source: BP Statistical Review 2019

Underexplored low-cost onshore potential

The Latin American region as a whole has proven gas reserves of 289 trillion cubic feet ("Tcf") (4% of world reserves) and oil reserves of 325 billion barrels - 18% of world reserves (Source: BP Statistical Review 2019). However, excluding the politically volatile and isolated region of Venezuela, the region only has proven reserves of 65 Tcf of gas and 22 billion barrels of oil. This reserve base is growing due to exploration activity in the region, but this is predominantly offshore activity. Echo believes that onshore there is huge potential in relatively low-cost, underexplored acreage in an energy hungry market.

Conventional plays at an advantage

In Argentina, non-conventional gas plays with relatively high operating and breakeven costs are likely to be the first to suffer the impact of demand reduction and resulting gas price falls which have already been seen as a result of Covid-19. Lower cost conventional production, which is less capital intensive, will consolidate its place in the value chain as a cheaper and more reliable alternative, while the case remains for further exploration. Gas consumption in Latin America has doubled in the last 20 years, increasing on average 2.3% p.a. in the last 10 years (Source: BP Statistical Review 2019). Consumption is expected to increase by a further 40% by 2030 (2.6% p.a.). Hence to meet this increased demand there is a strong need for reserves replacement and growth.

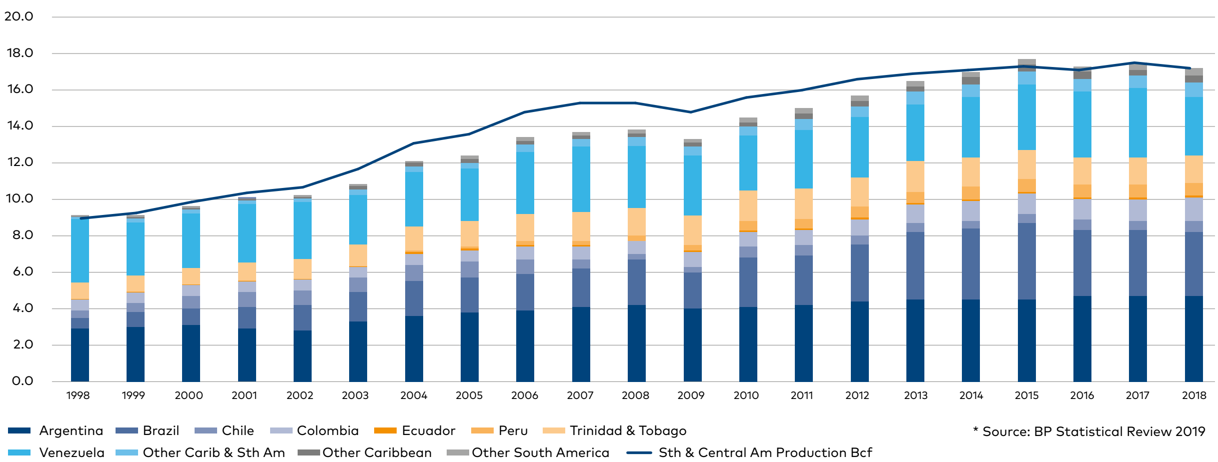
This has resulted in pipeline imports and LNG imports being required to meet demand in certain countries, achieving attractive prices (Source: YPFB). Due to the market tightness, there is currently an excess of LNG but it has regasification constraints and countries are actively attempting to boost their own production to avoid paying for imported gas, which makes local production more attractive given the higher prices that can be obtained. Bolivian gas has been achieving prices between 5.77 – 4.30 US $/mmbtu for exports to Argentina and Brazil (Source: YPFB). Bolivia has signed a new addendum with Brazil decreasing its Take-or-Pay commitment but keeping their oil/fuel linked price, which would allow Bolivia to fulfil their domestic demand while fulfilling their contract with Argentina. Furthermore, the need for new gas to increase production to meet demand from central Brazil remains. Subsidies and oil production incentives are in place in Bolivia, and under review in Argentina, in order to boost their domestic production and avoid external price swings. These conditions provide an opportunity for Echo to deliver value creation from conventional onshore exploration and development.

Economic and political environment

The Covid-19 pandemic will have a direct impact on economic performance world-wide and while it is estimated the Latin American economy will shrink 5.2% in 2020, it is expected to return to growth with a 3.4% growth figure anticipated in 2021 (Source: IMF, World Economic Outlook April 2020). The fundamentals remain unchanged from last year, the region needs to balance growing demand with more production, and this is particularly important in countries like Peru, Colombia and Bolivia. The development of Vaca Muerta in Argentina will face an uncertain future due to its capital intensive nature. Brazil will face a structural decision whether or not to further develop its relatively capital intensive offshore resources given the current challenging price scenario. It is Echo's view that the region will face a short-term oversupply followed by an increase in demand that will not immediately be supported by new oil and gas projects which are currently in the pipeline. Therefore, a countercyclical investment that benefits from current low costs and asset valuations and which will benefit from increased oil and gas demand in the mid-term, will also benefit from government support and contractual conditions.

Challenges remain, particularly in Argentina. Prior to the global crisis, there were encouraging signs that the economic situation in-country was improving and the results of the presidential election in 2019 had not derailed this or significantly impacted the oil & gas sector. Recent political changes in Peru and Bolivia have only served to underline the need for E&P investment and this will only be exacerbated by the impact of Covid-19. Countries such as Peru, Bolivia and Argentina need to increase their domestic production and are already working on new legislation that will allow them to boost investment. The period of readjustment in Latin America that follows the current global crisis may also offer a company with Echo's capabilities and expertise opportunities for non-organic growth in the region.

Gas Consumption vs Production in Latin America (Bcf)*



* Source: BP Statistical Review 2019

Assets

The Company's asset portfolio has been strengthened by the portfolio re-structuring carried out during 2019.

In May 2019 the Company re-structured its partnership with CGC by reducing its working interest in Tapi Aike to 19% and ending the previous carry arrangement. Additionally, the decision was taken not to proceed to the second work phase in the Fracción C, Fracción D and Laguna de los Capones licences, leading to relinquishment of the Company's interests and associated liabilities. This re-structuring resulted in a reduction of near-term capital expenditure requirements and improved economics in Tapi Aike.

To complement the high impact exploration opportunities on Tapi Aike, the Company completed the acquisition of producing concessions from PETSA in November 2019, which brought a significant 1P and 2P reserves base. The Santa Cruz Sur assets consist of five production concessions, which produce gas and oil that contribute material revenues to the Company. The assets are located in the east of the onshore Austral Basin, with existing infrastructure in place for gas transport by pipeline to Buenos Aires and oil sales at the Punta Loyola terminal. Opportunities to increase production through well interventions and workovers have been identified and are the focus of work in 2020, alongside the new operator.






	Tapi Aike	Campo Bremen	Chorrillos	Océano	Moy Aike	Palermo Aike
Status	Exploration	Production Concession	Production Concession	Production Concession	Production Concession	Production Concession
Echo Participation	Non-operator 19%	Non-operator 70%	Non-operator 70%	Non-operator 70%	Non-operator 70%	Non-operator 70%
Expiry	Sep-21	Apr-26	Apr-26	Aug-26	Apr-26	Aug-26
Area (km^2)	5,187	687	647	108	714	537

Net Reserves, 31 Dec 2019

	Oil (MMbbls)			Gas (Bcf)			Oil Equivalents (MMboe)		
	1P	2P	3P	1P	2P	3P	1P	2P	3P
Santa Cruz Sur	0.90	2.30	2.50	16.1	55.2	58.5	3.78	12.14	12.93

Portfolio

Following completion of the Santa Cruz Sur acquisition, Echo Energy is a well-balanced, full-cycle E&P company with a portfolio focused on the onshore Austral Basin, Argentina. The portfolio comprises a significant production base, with near-term enhancement opportunities, in combination with high-impact exploration acreage.

The Santa Cruz Sur assets provide the production and reserves base of the Company, consisting of five production concessions in the east of the onshore Austral Basin. Furthermore, the acquisition gives Echo access to over 7,800 km^2 of acreage, making it a significant licence holder in the basin, and demonstrates Echo's commitment to the future exploration and production potential of this part of Argentina. Production has been revenue generating for the Company since 1 November 2019, where average net daily production for November and December 2019 was ≈2,500 boepd, consisting of 565 bbls/d oil and 11.6 MMscf/d gas. Additionally, the Campo Limite CLix-1001 exploration well, in the Palermo Aike concession, began drilling in December 2019 at year end.

Tapi Aike, located in the west of the onshore Austral Basin, provides higher-risk higher-impact exploration acreage to compliment the production base of the Santa Cruz Sur assets, with significant potential for organic growth through the drill bit. During 2019 a number of significant milestones have been achieved in Tapi Aike. Firstly, the acquisition of 1,200 km^2 of 3D seismic was completed, in both the eastern and the western areas of the licence, before subsequent processing and interpretation resulted in the maturation of prospects and selection of the first well location in the Chiripa Oeste survey area. The Campo La Mata x-1 exploration well was drilled in Q4 2019 and tested in early Q1 2020.

Company Reserves & Resources are classified in accordance with the Society of Petroleum Engineers' PRSM 2018 update and are shown in accompanying tables.

2,505 boepd

Average net daily production Nov-Dec 2019

152,819 boe

Total production net to Echo Nov-Dec 2019

3.8 MMboe

Net 1P Reserves

12.1 MMboe

Net 2P Reserves

Santa Cruz Sur Net Reserves

Reserves Net to 70% Working Interest								
Oil (MMbbls)			Gas (Bcf)			Oil Equivalents (MMboe)		
1P	2P	3P	1P	2P	3P	1P	2P	3P
0.90	2.30	2.50	16.1	55.2	58.5	3.78	12.14	12.93

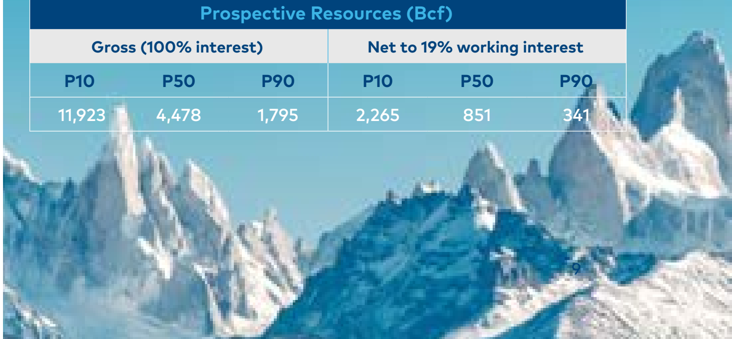
Santa Cruz Sur Net Contingent & Prospective Resources

Contingent Resources Net to 70% Working Interest								
Oil (MMbbls)			Gas (Bcf)			Oil Equivalents (MMboe)		
1C	2C	3C	1C	2C	3C	1C	2C	3C
0.01	0.01	0.05	0.0	0.0	1.3	0.01	0.01	0.29

Prospective Resources (Bcf)							
Gross (100% interest)				Net to 70% working interest			
P10	Pmean	P50	P90	P10	Pmean	P50	P90
654.6	129.3	61.4	14.7	458.2	90.5	43.0	10.3

Tapi Aike Prospective Resources

Prospective Resources (Bcf)					
Gross (100% interest)			Net to 19% working interest		
P10	P50	P90	P10	P50	P90
11,923	4,478	1,795	2,265	851	341



Operational Review

Significant milestones were achieved in Tapi Aike exploration alongside the acquisition of a material production and reserves base.

Strengthened Argentinian Portfolio

Tapi Aike

For Echo, 2019 was a year of significant milestones for operational activity in the Tapi Aike exploration licence, as the Company completed an extensive 3D seismic acquisition programme, leads were upgraded to prospects following processing and interpretation of this newly acquired seismic data. Technical work matured these prospects to drill-ready status, culminating in the spud of the first exploration well, Campo La Mata x-1 , in November 2019.

Mobilisation of the seismic crew began in December 2018 and the extensive seismic acquisition programme was completed in June 2019. Following a competitive tender process, the 3D seismic acquisition was undertaken by Argentinian contractor UGA who have considerable experience executing projects in the Austral Basin. The project was completed without any Lost Time Incidents and with minimum environmental impact.

The acquisition was split across two areas in order to focus on the most prospective parts of the Tapi Aike licence, after high grading the portfolio of leads based on existing 2D seismic and well data. Firstly, the Chiripa Oeste survey, covering 414km^2 in the east of the licence, aimed to better define a series of high negative amplitude features. The survey was designed to subsequently allow high quality amplitude versus offset ("AVO") analysis to further de-risk the prospectivity of the amplitude features.

The resulting Chiripa Oeste 3D seismic volume was processed by Wellfield Services Ltda. and successfully demonstrated that the high amplitude features were present in the target intervals on the 3D data. Echo subsequently undertook advanced geophysical analysis by working with rock physics and AVO experts in collaboration with the operator CGC. This work identified the presence of Class III AVO anomalies that aided the high grading of prospects and the finalisation of the CLM x-1 well location.

Immediately following completion of the Chiripa Oeste seismic acquisition, the seismic equipment mobilised to the Travesia de Arriba survey, a 790km^2 area in the west of the Tapi Aike licence. Here the aim of the 3D seismic shot was to better image the target reservoir intervals. Seismic acquisition was successfully completed in June 2019 and the seismic equipment demobilised. Processing of the 3D volume by Seismic Prospect S.R.L. is near completion and will be followed by geological and geophysical interpretation to finalise a well location.

The CLM x-1 exploration well in the Chiripa Oeste 3D area was spudded in November 2019 using the Petreven H-205 rig. It was drilled to a TD of 2,513m TVD, with the primary objective, the Magallanes 20 interval, encountered at approximately 2,181m TVD. Additionally, two secondary targets existed, the Magallanes 60 and the Anita formation at approximately 1,977m TVD and 2,265m TVD respectively. The well encountered gas shows elevated above background levels whilst drilling through each target interval, including 1,000,000 parts per million ("ppm") in the Anita formation which indicated that the gas chromatography machine was fully saturated. Following the acquisition of 38m of core and wireline log analysis multiple zones of interest were identified. The results were sufficiently encouraging to move to completion and testing of the well, by rigless mechanical stimulation using coiled tubing and nitrogen lift. Post-period the well was hydraulically tested and stimulated and, on the 19th February 2020, the Company announced it as a non-commercial gas discovery. To achieve the threshold of commerciality, it is estimated the well would require a stabilised production rate across the intervals of approximately 1.0 MMscf/d, which was not achieved from the Anita and Magallanes 20 targets. The secondary Anita target flowed at surface at an estimated rate of up to 0.57 MMscf/d with an estimated average rate of 0.35 MMscf/d. The Anita target also yielded condensate with an API gravity of 50 degrees, with a flow rate as measured at the well head at an estimated 7.5 to 18 bbls/d. The primary Magallanes 20 target flowed at surface at an estimated rate up to 0.28 MMscf/d with an estimated average rate of 0.25 MMscf/d. No condensate was retrieved from the interval. Whilst the lack of commerciality from the tested intervals was disappointing, the CLM x-1 well has proven the presence of a working petroleum system on the Chiripa Oeste 3D seismic in Tapi Aike, with the Class III amplitude vs offset characteristics being a successful predictor of the presence of gas.

Santa Cruz Sur

Exploration

Following demobilisation from the CLM x-1 location in December 2019, the Petreven H-205 rig mobilised to the Campo Limite CLix-1001 well location in the Palermo Aike concession, part of the Santa Cruz Sur assets.

The target for the CLix-1001 well is a conventional Springhill sandstone reservoir, where a truncation geometry on to a basement high has been identified on 3D seismic. The target is supported by a negative seismic amplitude anomaly and by gas encounters in nearby legacy wells. Having spud in late December 2019, post-period the reservoir was encountered at 2,124m in January 2020. Initial analyses of the wireline log data highlighted a zone of interest comprised of fine-grained sandstones and coincided with elevated gas shows of 193,000 ppm against a background of 20,000 ppm. The presence of elevated gas shows in the target section combined with wireline log data was positive and has resulted in the Company taking the decision to move to completion and testing.

Completion and testing initially commenced at the end of February 2020 as planned but were temporarily suspended due to travel restrictions imposed by the Argentine authorities in response to the Covid-19 pandemic. Testing will resume as soon as practically possible.

Production

From 1 November 2019 Echo has been entitled to its 70% working interest share of production from the Santa Cruz Sur assets. The table below details average production by concession for November-December 2019. The Santa Cruz assets bring an important reserve base.

Average Daily Production, Nov-Dec 2019

	Net Oil (bbls/d)	Net Gas (MMscf/d)	Net boepd
Campo Bremen	56	2.3	448
Chorrillos	387	7.3	1,595
Océano	35	1.9	357
Moy Aike	87	0.1	105
TOTAL	**565**	**11.6**	**2,505**

Sustainability Review

As a corporate citizen operating across Latin America and in the UK, Echo believes in conducting a business that brings positive impact in the medium to long term, drives progress and respects the resources on which our future depends.

Our Corporate and Social Responsibility ("CSR") Objectives

Echo seeks to manage and maintain positive and respectful relationships with our stakeholders. To meet these objectives, Echo aims to:

- protect the health, safety and wellbeing of our staff, contractors and the local communities our operations impact upon;
- manage and maintain positive and respectful relationships with the communities with which we conduct business and in which we operate;
- maintain a high standard of care for the natural environment and adopt appropriate environment management systems on our contract areas; and
- reduce our environmental footprint by efficient use of resources, management of water and energy consumption and management of waste and emissions.

Anti-Bribery and Corruption ("ABC")

Echo has zero tolerance for bribery, corruption or unethical conduct in our business. Our policies require compliance with all applicable ABC laws, in particular, the UK Bribery Act, and the Argentine Foreign Corrupt Practices Act. The majority of our operations are based in Argentina. The Transparency International's Corruption Perception Index ("CPI") assesses corruption in the public sector when ranking different countries. In 2019, the CPI ranked Argentina 66 out of 180 participating countries worldwide with a score of 45/100. Bolivia is ranked 123 out of 180 with a score of 31/100. By comparison the UK is ranked at 12 out of 180 with a score of 77/100.

Echo operates in a competitive market and faces competition in securing and maintaining licence interests, forming partnerships, attracting and retaining the best service providers and building cooperative relationships with stakeholders. We are very aware of the pressures and challenges that we face. However, we are committed to upholding the highest levels of corporate and operational behaviour and our objective is to develop our business responsibly and with integrity at all levels. We have worked closely with our legal advisors to create a system of documented ABC policies and procedures that provide a consistent policy framework which all staff are issued with and trained in. Our policy and training covers anti-bribery and corruption, gifts and entertainment, third-party representatives and whistle blowing.

Modern Slavery

The UK Modern Slavery Act was brought into law in 2015 and Echo fully supports the principles it promotes and the personal rights and freedoms it protects. Echo has zero tolerance for any form of slavery or any practices that could be perceived as slavery, whether they be in our own business or those of our suppliers, partners or consultants.

Social Responsibility

As well as the primary aim to protect the health, safety and wellbeing of our staff, contractors and the local communities, Echo is keen to work in harmony with and offer something back to all the local communities we operate in. In London, in 2019 Echo partnered with Love to Learn, an organisation that mentors young refugees or children of refugees, and piloted an internship and work experience scheme to give a young person the chance to get valuable office experience which they would not otherwise receive.

40% Female workforce

Reducing our environmental footprint

Maintaining positive relationships with our communities

It is hoped this experience will also help young people choose options in continuing education, broaden their thinking about career opportunities and simply offer them motivation and support. The pilot was a great success with all those involved and it is Echo's intention to expand the scheme in 2020.

Echo continued its work with the charity Children of Latin America ("COLA") which is a UK-based charity dedicated to improving the lives of children in some of the poorest areas in Latin America. COLA introduced us to Chain of Hope where Echo and staff were able to contribute directly to provide life-saving heart operations two to young boys from Bolivia and El Salvador. During 2019 we also contributed to the annual COLA fundraiser. Echo has identified two further children's charity projects in Latin America where it can contribute more fully in 2020 once due diligence is complete.

Environmental Responsibility

Echo is very conscious of the natural environment that it operates in and the Company works hard to minimise its impact on that environment. Echo is committed to the responsible stewardship of the environment and, on the conclusion of the Company's operations, to return our sites to the condition in which Echo found them. Echo seeks to operate from compact drill sites in order to minimise disruption to the natural habitat. Echo is also committed to working closely with our partners and the various agencies in the jurisdictions in which it operates to make sure that all environmental and other regulations are fully satisfied as the Company undertakes its activities. The health and safety of our employees, contractors and partners on our sites is also paramount and more information is available in the Health, Safety and Environment ("HSE") Review.

In the local operating environment in Santa Cruz province in Argentina, subsequent to resuming production activities with the Santa Cruz Sur acquisition in November 2019, Echo has been exploring different projects that it can contribute to which help protect and preserve the local environment.

Diversity and Inclusion

Everyone at Echo is proud to embrace a culture of inclusivity across our organisation. Echo is an equal opportunities employer and has a stated policy as part of its Code of Conduct to deal fairly and equitably with all of our employees in the workplace. The Company is dedicated to encouraging inclusion and diversity at all levels of the business, acknowledging that a more diverse workforce, with the right mix of skills, experience, culture, ethnicity, nationality, gender and knowledge, can make a valuable contribution to the Company. Echo has made a commitment to extend equal employment opportunities to all, irrespective of race, colour, gender, sexual orientation, religion or belief, age, nationality, ethnicity, marital or civil partnership status, pregnancy and maternity, or disability. In addition, the Group not only provides direct support to employees, should they have any issues or concerns, by way of appropriate HR functions but also offers external training should it be deemed necessary.

Echo strives to maintain high levels of ethical and business practices at all times and has implemented clearly defined policies to assist employees with these issues. Our primary aim is to protect the health, safety and wellbeing of our staff, partners, contractors and the local communities in which the Company operates. Moreover, Echo desires to go that one step further and invest in the future and sustainability of our business, our communities and our environment.

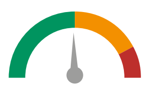
Managing Risks

Echo is dedicated to managing the risks of the business in a structured manner. Our internal risk management system has five key steps in dealing with risks.

The five key steps in dealing with risk are:

Identified risks and mitigation options are summarised in the risk management table which provides a continual reference point for operations and review.

Risk Management Table

Risk	Description	Mitigation	Assessment of Risk Level
Operational Risk			
Operational incidents	Our operations carry risks of health, safety and environmental incidents Operations are not executed as planned resulting in cost overruns Litigation exposure Reputational damage	High HSE ethic with plans and procedures in place to deliver the operation with maximum safety and to influence the operators Ensuring staff are competent and appropriately trained Appropriate insurance	
3D seismic operations	During the seismic survey at Tapi Aike risks are present that can cause cost overruns, delays, complications etc. Examples could be: non-productive time (from weather or equipment issues), labour force issues, contractor default etc.	Support CGC in monitoring and managing the operational phase of the seismic shoot	
Unsuccessful exploration outside the expectation case (Tapi Aike)	Prospect assumptions do not describe the range of possible exploration risks. If no hydrocarbons are encountered, the wells fail on an unidentified risk. The seismic model does not correctly predict the presence of gas Equipment failure / lack of maintenance – causing cost overruns HSE incidents	Carry out peer reviews of all operations with the partners Use our gating process to ensure technical, financial, and where necessary, board approvals are acquired Undertake key pieces of technical work to challenge the operator HSE plans and procedures in place to deliver operations with maximum safety	
Delayed drilling of the well (Tapi Aike)	Slow progress and/or poor quality decisions by the operator on processing, interpretation, geological modelling, well planning, completion and well evaluation Delay in obtaining the necessary drilling permits Issues with landowners	Work carefully with the operator to ensure that the workflow leading up to a well is carried out on time and to high standards with proper analysis of the available data Support the operator in securing the relevant permits Support the operator in the dealings with landowners to find credible solutions	
Reservoir risk in production assets	Reservoirs do not perform as expected and do not provide an adequate return on investment	Monitor all current and future production carefully tracking performance Establish new sources of production through workovers and drilling on existing assets and business development to diversify risk	

Risk	Description	Mitigation	Assessment of Risk Level
Strategic Risk			
Political instability	Fiscal and political pressure in either the UK or Latin America could result in changes to the investment landscape, delaying projects and changing the potential value associated with the assets Argentina and Bolivia have a history of expropriation but in very different forms	Work with our local partners to manage any situation that may arise and build strong relationships with governments and local authorities Assess the political climate on a regular basis to ensure the best possible awareness when making investment decisions	
Breach of Bribery Act	The company, its contractors or partners, breach the UK Bribery Act leading to prosecution and reputational damage	Maintain and continuously improve the company ABC policy, risk assessment procedure and ensure that all staff are suitably trained All vendors and contractors will be risk assessed and all contracts awarded will have strict requirements to adhere to the policy	
Macroeconomic uncertainty	Relates to the movement in macroeconomic parameters e.g. foreign exchange ("FX") rates, interest rates and inflation	Management of the company's cash position and FX exposure Treasury policy developed for the treatment of JV cash in Argentina	
Covid-19 pandemic	Risk of interruption to operations, continued global downturn in demand for hydrocarbons	Implemented procedures with operators to ensure operations continued safely Where appropriate shut-in productions to preserve value in wells Adaptable working practices and systems in place to facilitate working from home	
Loss of key personnel	Can happen through resignation, illness, injury, kidnapping or death Valuable knowledge and relationships could be lost Can result in a lack of leadership and direction	Travel policy in place to ensure safe business travel activity Knowledge sharing across disciplines to minimise impact of lost capacity Adequate remuneration to ensure staff retention	
Portfolio diversification	Echo is exposed to E&P assets located in a single jurisdiction exacerbating political risk	Active process to evaluate new business opportunities in Latin America to secure additional asset(s) beyond existing jurisdictions	
Argentina company registration	The Government of Santa Cruz does not assign the title of Tapi Aike and other acquired assets to Echo	Through our local lawyers and CGC continue the support to the local authorities ahead of the final approval	

Financial Risk			
Insufficient funding	There are insufficient funds for the Company to meet its financial obligations or carry out new capital investment opportunities Echo is dependent on the availability of external finance to fund the development of new discoveries Cost overruns on the exploration work programme and/or delay in payments from sales of existing hydrocarbon production	Raise equity following exploration success to take advantage of share price strength in order to fund the development of new discoveries Control finances through annual budgeting and variance analysis Negotiate and manage commercial contracts that provide certainty and allow for flexibility if required Delay capital expenditure and other discretionary spending	

Stakeholder Engagement

Echo considers collaborative engagement with all stakeholders as vital for our business. It remains at the core of what we do. Stakeholders include not only our shareholders, lenders, and our partners, but also our suppliers & customers, our workforce, governments & regulators, and the communities in which we operate.

By maintaining regular dialogue, we receive feedback on our strategy, performance and governance which can then be factored into the Board's decision-making process.

The table below, describes how the directors of the Company have regard for the matters set out in Section 172(1) of the Companies Act 2006 these are:

(a) the likely consequences of any decision in the long term

(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the company.

The table below forms the Board's statement on such matters as required by the Act. Further information regarding Echo's assessment of environmental and community issues associated with our operations, can be found in the Sustainability Review on page 14 and in the HSE Review on page 30. Review of the key decisions and issues discussed in Board meetings and by various committees in 2019 is contained in the Corporate Governance Statement from pages 24 to 29.

Why is it important to engage? / How do we engage?

Shareholders

Why is it important to engage?

Echo seeks to develop an investor base of long-term holders that are aligned with our strategy. By clearly communicating our strategy and objectives, we maintain continued support for what we do.

Important issues include:

- Sustainable financial and operational performance
- Continued execution of E&P projects

How do we engage?

There is regular dialogue between both institutional and retail investors through meetings, calls, conferences, presentations and our virtual "Time with the Team" Q&As.

Highlights include:

- Over 50 meetings held with current and prospective investors during 2019
- 5 Time with the Team held with highs of 500+ participants

Lenders

Why is it important to engage?

Upstream oil and gas is a capital intensive business and by maintaining supportive relationships with our lending group, we can ensure access to long-term debt finance that enables us to invest in high quality assets that generate sustainable long-term cash flows.

Important issues include:

- Sustainable financial and operational performance
- Capital allocation
- Refinancing plan

How do we engage?

As part of Echo's relaunch in 2018, a €20million bond was issued, and we have continued to fulfil our obligations and engage with noteholders such that we were able to issue a new bond and renegotiate an existing £1million loan in 2019 to support our SCS transaction.

Highlights include

- New €5 million bond with Lombard Odier
- Successful restructuring of all existing debts post-period

Partners

Why is it important to engage?

Sharing of risk is a fundamental component of our industry and by maintaining aligned and collaborative relationships with our joint venture partners, we can ensure that maximum value can be extracted from our operations in a safe and sustainable manner.

Important issues include:

- Operational performance & HSE
- Project ranking and work programmes
- Budget setting

How do we engage?

Echo ensures that we maintain an open dialogue with both our partners in the Tapi Aike licence and Santa Cruz Sur licences. We seek to ensure that all partners are aligned around common objectives for the asset and maintain safe and efficient operations.

Highlights include:

- Selection of first Tapi Aike drill in Chiripa Oeste
- Successful negotiation of early exit from the CDL licences
- Renegotiation of the Tapi Aike participation with no carry

Why is it important to engage? / How do we engage?

Customers & Suppliers

Through the acquisition of SCS we gained several established gas customers with existing contracts which require renegotiation at expiration. The SCS supply chain is managed by our partners who operate on our behalf. We have further developed strong relationships with key corporate suppliers.

Important issues include:

- Contract management strategy
- Uninterrupted service for customers
- Enhance value

Engagement with suppliers usually takes place with the operator but we are closely involved and help shape the strategy and timing. Sales of crude are also negotiated by the operators but our regional representative works in collaboration with our partners to negotiate contracts and timings.

Highlights include:

- 2-month gas contract extensions negotiated post-period
- Fast and efficient onboarding as a supplier for SCS customers

Workforce

Our current and future success is underpinned by our ability to engage, motivate and adapt our workforce. Creating the right environment for employees where their various strengths are recognised and their contributions are valued, helps to ensure that we can deliver our shared objectives.

Important issues include:

- Group strategy
- Diversity of thinking
- Corporate culture

During 2019, internal communications were upscaled, so employees were kept informed of all the workstreams across the Company and helped to raise key issues with directors and executives.

Highlights include:

- Production & strategy updates
- Educational presentations from each sector of Echo
- All staff involvement in CSR initiatives

Governments & Regulators

Maintaining respectful and collaborative relationships with our host governments and local regulatory authorities is vital to our 'licence to operate'. We believe that the strength of these relationships will allow us to make a sustainable and beneficial contribution to the regions in which we operate.

Important issues include:

- Licence attribution
- Identifying and securing new opportunities
- Providing views on upcoming legislation and factors that are important to the industry
- CSR commitments

In Bolivia, Andres Brockman sits as a board member of the Bolivian Chamber of Hydrocarbons and Energy, enabling access to top government officials across the region and actively participating in legislative initiatives, analysis and discussions.

Highlights include:

- Successful delivery of Rio Salado final report to YPFB
- Tapi Aike assignment process in the final stage of approval, subject to Santa Cruz province executive approval

Communities & Environment

Minimal environmental impact in the localities in which we operate ultimately help Echo reach its corporate objectives as well as just being the right thing to do. Building and maintaining the Company's reputation fosters Echo's long-term goals and the support and commitment of all employees.

Important issues include:

- Operating in an open and honest and socially responsible manner
- Social responsibility initiatives

Echo has engaged with all employees to choose community projects to support. All employees trained in ABC standards and all counterparties must adhere to these. Regular engagement with operator HSE officers occurs through operational committee meetings maintaining positive focus on health, safety and the environment.

Highlights include:

- Zero environmental incidents during operations in 2019
- Complete company-wide training on ABC issues
- Work experience initiative in the UK

Financial Review

Martin Hull
Chief Executive Officer

Echo engaged in a busy and diverse operational programme for the year ended 31 December 2019. The year began with the completion of the Tapi Aike seismic acquisition programme and ended with two exploration wells drilled, the first in Tapi Aike and a second in the newly acquired Santa Cruz Sur assets.

These were made possible by the careful management of cash balances and the recapitalised balance sheet following the Santa Cruz Sur transaction, and associated fundraising. The Group exited the year with a plan to further initiate cost cutting in G&A and in-field operations with the new operator in Santa Cruz Sur.

Having exited the CDL asset on 19 May 2019, Echo had no revenue until the completion of the Santa Cruz Sur acquisition on 11 of November 2019. Following the completion of seismic acquisition and two new exploratory drills, the Group loss for the year was US $13.3 million (2018: US $24.4 million). The working capital profile of the Group has fluctuated in 2019 as it stopped, then returned to being a non-operating producer and as such the Group exits the year with a cash balance of US $1.7 million (2018: US $15.6 million).

Income Statement

Revenue of US $2.6 million (2018: Nil restated) was composed of US $1.4 million in oil sales (2018: Nil restated) and US $1.2 million in gas sales realised (2018: Nil restated).

- Average net oil price realised for the period was US $51.52/bbl.
- Gas sales were 15.5 million m^3 with average realised price being US $2.36/mmbtu.
- Operational costs of US $3.1 million (2018: Nil restated). Operational costs for the SCS assets reflect the period of exit by prior the operator. Post-period Echo and the new operator are proactively working to implement an ambitious cost cutting programme.
- Value of stock of crude oil US $0.4 million (2018: US $0.7 million) was based on a discounted Brent price.
- Exploration expenses of US $0.6 million (2018: US $0.8 million) largely relates to on-going business development activity, including due diligence and on-going activity in Bolivia. Echo's interests in Bolivia are all pre-licence thus no costs relating to Bolivia have been capitalised.
- Gross administration expenses were US $1.0million lower than in 2018 reflecting the management's continued focus on cost control across the Group while the team also contracted slightly to reflect changes in operational activity. Changes to the executive team in 2019, and amendments post-period in early 2020, have reduced our gross administrative spend going forward. Professional advisor fees this year related mainly to

the new Santa Cruz Sur asset acquisition at the end of the year and were US $0.7 million (2018: US $0.9 million). Administration costs included the non-cash cost of options of US $0.4 million (2018: US $0.7 million).

- Finance costs are composed of interest payable costs of US $1.9 million (2018: US $2.0 million), the amortisation of debt fees, the unwinding of the discount on the debt issue, foreign exchange losses and the accretion of right-of-use assets bringing total finance fees to US $5.5 million (2018: US $4.0 million). Echo hold a substantial VAT receivable balance in Argentina, the devaluation of the Argentine Pesos has resulted in exchange losses of US $1.2 million (2018: US $0.05 million).

As Echo seeks to find success through the drill bit, exploration costs in the year have led to a loss from continuing operations of US $10.0 million in the year (2018: US $9.7 million).

Balance Sheet

CDL Licences

At the end of 2018 Echo took the decision to fully impair the value of the CDL assets as at 31 December 2018 (US $15.2 million). The completion of the fractural stimulation in early 2019 meant that there were further impairment costs in 2019 of US $2.8million. CGC took on all outstanding liabilities on the CDL concessions and agreed to waive all outstanding work commitments. Additionally, CGC released US $2.06 million of Echo cash previously earmarked for CDL which was partially redirected towards the Tapi Aike drilling campaign costs.

Tapi Aike Licence

As a result of the Argentinian portfolio review, Echo also proceeded with restructuring its participation in the Tapi Aike license. Upon acquiring the Tapi Aike licence Echo had agreed to carry CGC for 65% of the work programme costs during the initial three-year period. Under the restructured participation Echo now holds a 19% interest and will pay 19% of costs in Tapi Aike, ending the previous carry arrangement and significantly lowering the Company's capital obligations. Echo funded the seismic acquisition campaign at 65% per the original commitment and this process was completed in June 2019. In November 2019 Echo commenced its drilling campaign in Tapi Aike, with initial well costs capitalised and expenditure continuing into 2020 with operations.

Santa Cruz Sur Licences

In October 2019 Echo announced its proposed acquisition of a 70% non-operated interest in the Santa Cruz sur package of five mature producing blocks from PETSA, a subsidiary of Phoenix Global Resources plc. Purchase of the assets was finalised on 11 November 2019 for a non-contingent fee of US $8.5 million and a contingent cash consideration of US $1.5 million if as of 1 October 2020 there is an increase in the proven reserves attributable to the Santa Cruz Sur assets. Production in the assets began to accrue to Echo from 1 November 2019, the effective date of the acquisition. Between 1 November 2019 and 31 December 2019 there was a total 24,149 bbls of oil net sold by Echo, with sales totalling US $1,395,355. Gas revenues in the period were US $1,190,713 for 15.5m^3. At the end of December 2019, the exploration well CLix-1001 in the Palermo Aike license spud. As part of the acquisition agreement, the costs of the CLix-1001 that correspond to Echo's interest will be paid for by PETSA, the previous owner of the interest. Echo will reimburse up to 60% of these costs at a later date in a mixture of cash and ordinary shares. Total reimbursement will not exceed the maximum amount of US $1.1 million.

Financing

The early exit from the CDL producing assets and the acquisition late in the year of the SCS assets, meant that Echo only participated in production for the first four and last two months of 2019. To fund the acquisition of the Santa Cruz Sur assets, the Company raised aggregate proceeds of US $12.8 million, consisting of approximately US $6.1 million through the issue of 193,820,000 new ordinary shares in the Company at a subscription price of 2.5 pence per ordinary share and a €5 million secured convertible debt facility provided by Lombard Odier Asset Management (Europe) Limited and associated grant of warrants to subscribe for 74,200,000 ordinary shares exercisable at 3.0 pence per ordinary share. Proceeds from the subscription and the debt facility were applied towards the cash consideration of the SCS acquisition. Placing funds were subsequently used to fund operational activity in Argentina.

Financial Review continued

Working Capital

The year-on-year change in the working capital profile of Echo reflects the move away from producing activities for six months of the year, before a return in November 2019 via the acquisition of the Santa Cruz Sur concession working interest. The high level of receivables includes US $1.0 million from PETSA, the vendor of the SCS concession, reflecting post acquisition working capital adjustments. Trade receivables and accrued income from operations are US $2.2 million (2018: US $1.1 million) with additional joint venture receivables of US $0.9 million (2018: US $0.7 million). Echo's high level of investment in the previous period has built-up a VAT and retention tax balance of US $4.1 million. At the end of 2019 legislation was enacted which enables Echo to submit a claim for VAT balances that are more than six months old. The trade payables value at year end recognises Echo's share of payables for both Argentine joint ventures of US $4.9 million.

As at 31 May 2020 Group unaudited cash balances were US $1.1 million. Whilst the directors remain acutely cost conscious and value focused, the Group recognises that in order to pursue organic and inorganic growth opportunities and fund on-going operations it may require additional funding. This may be sourced through debt finance, joint venture equity or share issues.

Post Balance Sheet

Echo have moved quickly to materially reduce our expenditure during this period of low oil prices and uncertainty arising from the Covid-19 pandemic. Substantial progress has been made with cost reduction initiatives in the Santa Cruz Sur assets. As previously announced, the Company has been exploring all options available to it to preserve existing cash resources. As part of its programme to conserve cash the Company announced that it will be asking the holders of its debts to defer all cash interest payments during 2020. At a meeting of the holders of the Company's €20 million Luxembourg-listed notes held on 22 May 2020, consent was given to waive the event of default in relation to the non-payment by the Company of quarterly note interest on 31 March 2020. This restructuring followed earlier amendments to the Company's existing £1.0 million secured loan and €5 million secured facility such that no interest will be required of the Company during 2020. Instead, 2020 interest under the loan instruments shall accrue and be calculated on the last business day of December 2020 so as to form part of the principal amount of the instruments and no interest payments shall be made until March 2021.

Echo continues to work collaboratively with partners, to prioritise higher margin gas sales and focus our workover rig at SCS on the potential near-term upside of rehabilitating existing wells, whilst deferring non-essential activities and maintaining critical operations. Combined with continuing progress in the restructuring of Echo's debt, these efforts provide the Board with significant confidence for the future.

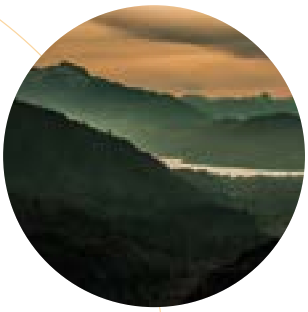
The Strategic Report was approved by the Board on 11 June 2020 and signed on its behalf by:

Martin Hull
Chief Executive Officer
11 June 2020

Corporate Governance Statement

James Parsons
Non-Executive Chairman

Strong corporate governance is a key building block that allows an organisation to be successful.



Chairman's Corporate Governance Statement

Dear Shareholder

As the chairman of the Company it is my pleasure to present the Corporate Governance Report for the year ended 31 December 2019. I firmly believe that strong corporate governance enables an organisation to grow successfully and to win the confidence of its stakeholders. The Board is committed to good governance across the business, at an executive level and throughout its operations.

Following the adoption of the Quoted Companies Alliance Corporate Governance Code in 2018 (the "QCA Code") the Company embarked on compliance and adherence to the corporate governance practices recommended by the QCA Code. The QCA Code requires AIM listed companies to adopt a "comply or explain" approach in respect of the recommended guidelines and the Board works to ensure that the Company complies with the QCA Code in all aspects of the business.

The QCA has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are listed below and the Board and employees across the business work to ensure that these principles are adhered to as much as the Company is able. Both within the annual report and accounts and on the corporate website, stakeholders can see how the Company complies with these principles.

The Board not only sets expectations for the business but also works towards ensuring that strong values are set and carried out by the directors across the business. A strong corporate culture is paramount to the success of a business. The Board strives to ensure that the objectives of the business, the principles and risks are underpinned by values of good governance that are fed down throughout the organisation.

The importance of engaging with our shareholders underpins the essence of the business, ensuring that there are numerous opportunities for investors to engage with both the Board and executive team.

During the period under review, there had been no major changes to the corporate governance structure of the Company other than the resignation of Fiona MacAulay as a director of the Company.

James Parsons
Non-Executive Chairman

The Principles of the QCA Code

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. The table below sets out the principles and how the Company applies them:

QCA Code Principle	Disclosure	
1	Explain the Company's business model and strategy, including key challenges in their execution (and how those will be addressed).	See pages 5-7 of Annual Report.
2.	Seek to understand and meet shareholder needs and expectations. Explain the ways in which the company seeks to engage with shareholders.	See website disclosures: Principle Two AIM Rule 26.
3.	Take into account wider stakeholder and social responsibilities and their implications for long term success. Explain how the business model identified the key resources and relationships on which the business relies. Explain how the company obtains feedback from stakeholders.	See website disclosures: Principle Three AIM Rule 26 and page 36 of Annual Report, section 172 disclosure pages 18-19 of Annual Report.
4	Describe how the Board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.	See pages 16-17 of Annual Report.
5.	Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.	Gavin Graham and Stephen Whyte are considered to be independent.
	Describe the time commitment required from directors (including non-executive directors).	The Chief Executive Officer is expected to devote substantially the whole of his time to the duties with the Company. The non-executives have a lesser time commitment. It is anticipated that each of the non-executives, including the chairman will dedicate 12 days a year.
	Include the number of meetings of the Board (and any committees) during the year, together with the attendance record of each director.	See page 29 of Annual Report.
6	Identify each director.	See pages 32-33 of Annual Report.
	Describe the relevant experience, skills and personal qualities and capabilities that each director brings to the board (a simple list of current and past roles is insufficient); the statement should demonstrate how the board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long-term.	See pages 32-33 of Annual Report.
	Explain how each director keeps his/her skillset up to date.	See page 27 of Annual Report.
	Where the board or any committee has sought external advice on a significant matter, this must be described and explained.	No such advice was sought in 2019.
	Where external advisers to the Board or any of its committees have been engaged, explain their role.	

Corporate Governance Statement continued

QCA Code Principle	Disclosure	
6.	Describe any internal advisory responsibilities, such as the roles performed by the company secretary and the senior independent director, in advising and supporting the Board.	The company secretary helps keep the Board up to date on areas of new governance and liaises with the Nomad on areas of AIM requirements. The company secretary has frequent communication with both the chairman and the chief executive officer and is available to other members of the Board if required.
7.	Include a high-level explanation of the Board performance effectiveness process.	See page 27 of Annual Report.
	Where a board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.	No such evaluation took place in 2019.
8.	Include in the Chair's corporate governance statement how the culture is consistent with the company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties. The statement should explain what the Board does to monitor and promote a healthy corporate culture and how the board assesses the state of the culture at present.	See page 24 of Annual Report. See website disclosures Principle Eight AIM Rule 26.
9.	Maintain governance structures and processes that are fit for purpose and support good decision making by the board. Roles and responsibilities of the Chair, CEO and other directors with commitments. Describe the roles of the committees.	See website disclosures: Principle Nine AIM Rule 26. See pages 27-29 of Annual Report.
10.	Describe the work of any board committees undertaken during the year.	See page 28 of Annual Report.
	Include an audit committee report (or equivalent report if such committee is not in place).	See page 28 of Annual Report.
	Include a remuneration committee report (or equivalent report if such committee is not in place).	See page 28 of Annual Report.
	If the company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.	N/A

The Board

The Board is comprised of the non-executive chairman, three non-executive directors and the chief executive officer ("CEO") who is an executive director on the Board. Upon completion of the planned transitionary period of succession, the Company's former CEO Ms. Fiona MacAulay stepped down from the Board on 31 May 2019.

The CEO has a strong executive team to offer the support required to fulfil the demands of the business and to deliver the strategy to stakeholders.

The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of skills, personal qualities and capabilities to deliver the strategy of the Company for the benefit of the shareholders over the medium to long-term.

The role of the chairman and CEO are split in accordance with best practice. The chairman has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. The CEO leads the business and the executive team ensuring that strategic and commercial objectives are met. The CEO is accountable to the Board for the operational and financial performance of the business.

The Board as a whole is kept abreast with developments of governance and AIM regulations. The Company's lawyers provide updates on governance issues and the Company's nominated advisor ("NOMAD") provides annual boardroom training as well as the initial training as part of a director's onboarding.

The directors have access to the Company's NOMAD, company secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.

The 2019 performance of the business and its staff will be measured across both financial and operational functions and is captured in a corporate scorecard. The scorecard is made up of various KPIs and is tracked throughout the year. The Board and executives' performance within the year was judged on the delivery of certain desired outcomes as summarised in the annual report. A description of the experience and contribution board members' bring to the Board can be found on The Team pages 32-33.

Board Performance

The directors consider seriously the effectiveness of the Board, committees and individual performance. The Board meets formally five times a year with ad hoc board meetings as the business demands. There is a strong flow of communication between the directors, in particular the relationship between the CEO and the chairman. The agenda is set with the consultation of both the CEO and chairman, with consideration being given to both standing agenda items and the strategic and operational needs of the business. Papers are circulated well in advance of the meetings, giving directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow-up.

In addition to the above, the directors have a wide knowledge of the business and requirements of directors' fiduciary duties. The directors have access to the Company's NOMAD and auditors if and when required. They are also able, at the Company's expense, to obtain advice from external bodies if required.

During the year, the Board continuously strived to further strengthen the governance structure already in place. Regular consultations are held with the Company's NOMAD, company secretary and lawyers in respect of compliance of the QCA Code, Companies Act and other statutory requirements and to ensure that best practices are followed. An effective investor relation strategy was maintained, and regulatory disclosure obligations were met, through a consistent flow of news releases to the market. All members of the Board are well acquainted and understand global regulations on ethical business practices and ensure that adequate internal policies and a supervisory mechanism is established in the business, through senior management. Whilst being mindful of the size and stage of development of the Company, the Board reviews and ensures the highest level of governance is maintained at all levels.

Corporate Governance Statement continued

Matters Reserved for the Board

The directors adopted a schedule of those matters that should be reserved for the Board, which is reviewed on an annual basis. Those matters include:

- Approval of the Group's strategy and objectives;
- Approval of the Group budgets, including operating and expenditure budgets;
- Growth of activities into new business or geographical locations;
- Material changes to the Group's structure and management; and
- Changes to the Company's listing, governance or business processes.

Board Committees

The Board has established an audit committee and a remuneration and nominations committee. At present, a decision has been made not to establish an HSE committee due to the fact that the Company is non-operating and still in the developing stage. The HSE matters are dealt with within the Board meetings.

Audit committee report

The audit committee is comprised of Marco Fumagalli and Stephen Whyte. Mr. Fumagalli chairs the audit committee. The committee generally meets twice a year. The committee has engaged Crowe U.K. LLP to act as external auditors and they are also invited to attend committee meetings, unless they have a conflict of interest. The CEO and the financial controller of the Company also join the committee by invitation.

An important part of the role of the committee is its responsibility for reviewing and monitoring the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment and reporting of risk. The audit committee is also responsible for overseeing the relationship with the external auditor.

The main functions of the audit committee include:

- Reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant;
- Considering annual and interim accounts and audit reports; and
- Making recommendations to the Board in relation to the appointment and remuneration of the Company's auditor as well as annually reviewing and monitoring their independence, objectivity and effectiveness.

During 2019 the audit committee:

- Approved the audited year end and interim financial statements;
- Considered the functional and presentation currency of the Group; and
- Recommended to shareholders the re-appointment of the Company's auditor, Crowe U.K. LLP.

Remuneration and nominations committee report

The remuneration and nominations committee is comprised of James Parsons (chair), Marco Fumagalli and Stephen Whyte and meets regularly to consider all material elements of the remuneration policy of the Company, including directors' and executive remuneration. It is also responsible for board recruitment and succession planning, ensuring the right skill set for the Board.

During the period ended 31 December 2019, the Committee had met three times and the following matters were included in its deliberations:

- Assessed the performance targets of the executive director;
- Reviewed the pay and benefits of the executive director;
- Reviewed and recommended the salary increments and bonus awards to the staff;
- Agreed the 2019 performance targets for the executive staff;
- Evaluated and recommended fee increase for the non-executive chairman; and
- Determined the awards to be made under the Company's EMI scheme.

The directors' attendance at scheduled board meetings and board committees during 2019 is detailed in the table below:

Director	Board Scheduled Meeting	Board Ad Hoc Meeting *	Audit	Remuneration and Nominations
James Parsons (chairman)	5	11	-	3
Fiona MacAulay [(i)]	2	4	-	-
Marco Fumagalli	5	8	2	3
Stephen Whyte	5	6	2	3
Martin Hull	5	11	-	-
Gavin Graham	5	5	-	-
Total meetings	**5**	**11**	**2**	**3**

* Ad hoc meetings: Additional meetings called for a specific matter generally of a more administrative nature not requiring full Board attendance

(i) resigned on 31.05.2019

Health and Safety Review 2019

Echo is committed to conducting its business and operations in a manner that safeguards the health of employees, contractors and the public, and minimises the impact of operations on the environment.

The Company is committed to ensure that these objectives are achieved through:

- Providing all employees with training of a high standard and only using equipment that is certified and appropriate for its scope;
- Using only qualified contractors, who can work to the highest possible HSE standards;
- Ensuring near-misses and incidents, whether Echo or partner operated, are fully investigated and improvements implemented;
- Fostering a working culture where openness and reporting leads to standout operational and health, safety and environmental performance; and
- Working with our operating partners to make sure that health and safety hazards and environmental impacts have been fully assessed and appropriately mitigated.

HSE performance is regularly reported to the Board, which ensures that appropriate resources are provided to achieve these objectives in full. Where the Company participates in, but does not operate joint ventures, it seeks to ensure that similar standards are adopted by its operators. These commitments are in addition to our basic obligation to comply with applicable laws and regulations where we work.

Regular risk assessments with the local operators are a key part of achieving good operational and HSE outcomes. Argentinian operations at Tapi Aike were undertaken on the Company's behalf in 2019, with no Lost Time Incidents occurring during the 3D seismic acquisition campaign. Additionally, Echo was proactive in ensuring that appropriate HSE processes and risk mitigations were in place prior to spud of the Campo La Mata x-1 well. Prior to spud of the Campo Limite x-1001 well, Echo were similarly pro-active in ensuring that appropriate HSE processes and risk mitigations were in place. Going forward the Company will continue to work diligently with both the operator of Tapi Aike and Santa Cruz Sur to ensure that operations continue to be undertaken in a manner consistent with the Company's HSE objectives.

The Team

Board of Directors

James Parsons
Non-Executive Chairman

Appointed to the Board in March 2017

James has over 20 years' experience in the fields of strategy, management, finance and corporate development in the energy industry. He started his career with the Royal Dutch Shell group in 1994 and spent 12 years with Shell working in Brazil the Dominican Republic, Scandinavia, the Netherlands and London. James is a qualified accountant and has a BA Honours in Business Economics.

James was recently appointed Executive Chairman of Regency Mines plc and Ascent Resources plc, prior to which he held the role of the Chief Executive Officer at Sound Energy plc since 2012.

James is also the non-executive chairman of Coro Energy plc.

James brings a wealth of knowledge and expertise to lead the business forward. He is a specialist in restructuring, funding and transforming companies and has strong public markets experience.

Martin Hull
Chief Executive Officer

Appointed to the Board in October 2018, initially as Chief Financial Officer

Martin has over 20 years' experience in the oil & gas and energy sector including during an 18-year investment banking career at Rothschild & Sons in London where he was a Managing Director in the global energy team with a focus on Latin America and Africa.

Previously he was Head of Oil & Gas, SE Asia, based out of Singapore. Martin has corporate finance expertise across the value chain with a particular focus on the upstream sector. He has advised on numerous transactions, including debt and equity, at both the corporate and asset level.

Martin holds a BA (Hons) from Exeter University.

Martin, with his experience on many transactions at both the corporate and asset level, including debt and equity, has the knowledge to drive the business forward. His transaction experience and contacts in the energy sector will prove invaluable to building the Company.

Marco Fumagalli
Non-Executive Director

Appointed to the Board in March 2017

Marco is a founding Partner at Continental Investment Partners SA, a Swiss based investment firm, and leading shareholder in Nusakan plc (formerly Greenberry plc), a cornerstone shareholder in Echo Energy. He was previously a group Partner at 3i.

Marco is a qualified accountant and holds a degree in Business Administration.

Marco, with his financial background, provides the experience required as chairman of the audit committee to challenge the business internally and also the Group auditors.

Stephen Whyte
Non-Executive Director

Appointed to the Board in March 2017

Stephen Whyte has over 30 years' experience in the oil and gas industry.

He was chief operating officer and executive director for Exploration and Production at Galp Energia until 2014 and Senior Vice President, Commercial at BG Group. He had previously spent a total of 14 years with Shell and six years with Clyde Petroleum.

Stephen was formerly Shell Country Chairman in Brazil and speaks Portuguese. Stephen is also a non-executive director of Kazmunaygas and former chairman of Genel Energy plc.

Stephen's background provides the Board with the operational expertise to review and challenge decisions and opportunities presented both within the formal arena of the boardroom and as called upon when needed by the executives.

Dr. Gavin Graham
Non-Executive Director

Appointed to the Board in November 2018

Dr Graham is a geologist by background and, after 29 years in Shell, initially in Exploration and later as Vice President New Business/Commercial for the Middle East, Caspian and South Asia regions, he joined Petrofac, the oilfield services company, and gained experience working for six years on the upstream side of their business in the UK, Tunisia, Malaysia and Mexico.

Dr Graham joined Polish state company Grupa LOTOS in 2017, where he was Chief Executive Officer of LOTOS Upstream, co-ordinating the start-up of this new 20,000 boepd company, which has producing assets, development projects and exploration activity in Norway, Poland and Lithuania.

Gavin's wealth of experience in the oil and gas sector brings further technical and operational expertise to the Board. Furthermore, Gavin is considered to be an independent non-executive director.

Executive Team

Martin Hull
Chief Executive Officer

Martin Hull is both an Executive and on the Board.

See previous page for biography.

Dr. Julian Bessa
VP of Exploration

Julian Bessa is a geoscientist with over 20 years technical experience for operators across Latin America, including Venezuela, Uruguay and Honduras. At BG Group he was also Bolivian Exploration Manager and VP Exploration of Brazil. He has moved across the E&P space with development manager roles in UK operated assets and at a regional level in Central Asia and Europe.

Julian has a D. Phil from the University of Oxford and an MBA from the Rotterdam School of Management.

Andres Brockman
Regional Representative

Andres Brockmann, a Bolivian national, joined Echo Energy in October 2017 from Petrobras Bolivia where he held a number of senior executive roles both in Bolivia and internationally over 15 years.

Andres is a Production Engineer, with an MBA from the University of Zaragoza, Spain. Additionally, he is also a director of the Bolivian Chamber of Hydrocarbons and Energy and represents Echo's best interests since the Company has joined the Chamber.

Directors' Remuneration Report

The remuneration committee, which consists of the non-executive chairman and two non-executive directors, along with the Board as a whole, is committed to attracting and retaining talent within the boardroom and the wider executive group to ensure the success of the Company. The remuneration committee works to ensure that the policies and framework are in place to reward staff for achievements and targets met, which in turn creates value for shareholders.

The Company offers a fixed remuneration package of salary, pension and certain benefits. In addition, there is a discretionary bonus award and EMI/share option scheme in place. As the business grows it may consider implementing a performance related LTIP for senior executives and executive directors.

The bonus and option awards are presented to the remuneration committee by the chief executive officer for approval. The bonus awards are made to individuals taking account of their own performance and the Company's performance as a whole over the previous year. Members of the executive team have their level of bonus reviewed in line with their individual scorecards that are agreed at the beginning of the financial year. The amount of bonus and options awarded is set within a pre-agreed range for each level of staff.

The chief executive officer's scorecard, bonus award and options granted are agreed by the remuneration committee.

A pension scheme is provided to all employees into which, subject to certain criteria, the Company contributes 5% of the individual's base salary.

Chairman and Non-Executive Directors' Fees

The fees paid to the Chairman and non-executive directors are set at a level both in line with the market and to appropriately reward and retain individuals of a high calibre. The fees paid reflects the level of commitment and contribution to the Company.

Fees are paid monthly in cash and are inclusive of all committee roles and responsibilities.

Remuneration of Directors

	Salary (US $)	Pension (US $)	2019 Cash Bonus award (US $)	Incremental consulting fees (US $)	Total 2019 (US $)	Total 2018 (US $)
Executive Director						
Martin Hull	372,774	16,843	–	–	**389,617**	156,383
Non-Executive Director						
James Parsons+	89,399	–	38,586	57,692	**185,677**	101,107
Fiona MacAulay*	93,630	5,773	–	–	**99,403**	483,900
Stephen Whyte	57,471	–	–	–	**57,471**	60,088
Marco Fumagalli	57,471	–	–	–	**57,471**	60,088
Gavin Graham	57,471	–	–	–	**57,471**	9,590

+During the transition period for the new CEO, James Parsons received incremental consulting fees as shown above.

*Footnotes on leaving and joining company

i. Fiona MacAulay left the company on 31 May 2019.

ii. Martin Hull became a company director on 2 October 2018.

iii. Gavin Graham became a company director on 1 November 2018.

Share Options Awards

	Date of Grant	Exercisable Date	Acquisition Price per share (cents)*	Options held at 1.1.19 000's	Options held at 31.12.19 000's
Fiona MacAulay	08.12.17	12.06.20	21.39	**4,000**	**0**
Martin Hull	24.10.19	11.12.23	8.69	**0**	**12,000**
Martin Hull	19.12.19	20.12.22	3.45	**0**	**23,000**
James Parsons	09.03.17	09.03.20	2.16	**24,000**	**24,000**
Stephen Whyte	09.03.17	09.03.20	2.16	**4,000**	**4,000**
Marco Fumagalli	09.03.17	09.03.20	2.16	**4,000**	**4,000**

*Calculated at the corporate year-end exchange rate of GBP £1: US $1.327

No directors exercised options in the year ended 31 December 2019.

This Remuneration Report was approved by a duly authorised committee of the Board on 11 June 2020 and signed on its behalf by:

James Parsons
Non-Executive Chairman
11 June 2020

Directors' Report

The directors submit their report and accounts for the financial year ended 31 December 2019. The comparative period is the year ended 31 December 2018.

Principle Activities

Echo Energy plc is the holding company for a group of companies. The Company's principal long-term focus is developing as a full-cycle exploration led, gas focused E&P company in Latin America. The Company's growth strategy is to deliver shareholder value from both the existing asset portfolio and new opportunities.

Results and Dividends

Turnover for the year was US $2,586,069 (2018: Nil restated), and the loss before tax was US $10,030,832 (2018: US $9,660,548 restated). The directors have not declared any dividend in respect of the year ended 31 December 2019 (2018: $Nil).

Future Developments

The Group will begin 2020 completing the integration of the Santa Cruz Sur assets acquired in November 2019 and will continue drilling and testing the wells spud in both Tapi Aike and Santa Cruz Sur in 4Q 2019. Processing of the seismic data acquired across the Tapi Aike licence continues with a view to continuing the planned drilling programme there. Details of plans for the Tapi Aike and Santa Cruz Sur assets and other future developments are discussed in the Strategic Report on page 3 of this report.

Directors

The directors who served during the period were as follows:

- James Parsons
- Marco Fumagalli
- Stephen Whyte
- Martin Hull
- Dr Gavin Graham
- Fiona MacAulay (resigned on 31.05.2019)

Substantial Shareholders

At 31 March 2020, in addition to the directors' interest as set out in the Directors' Remuneration Report, the following institutions hold interests in excess of 3% of the Company's issued share capital with voting rights:

Nusakan plc (Formerly Greenberry plc)	5.64%
Habies srl	5.62%
Phoenix Global Resources plc	5.61%
Lombard Odier Asset Management (Europe) Limited	4.38%*
Pegasus Alternative Fund Ltd	3.76%

*As notified to the Company and announced on 26 May 2020

Directors' Insurance

The Company has taken out an insurance policy to indemnify the directors and officers of the Company against liability when acting for the Company.

Auditor

Each person who is a director at the date of approval of this annual report confirms to the best of their knowledge that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint the auditor Crowe U.K. LLP will be proposed at the Annual General Meeting.

Directors' Shareholding and Interests in Shares

Directors and connected persons	No. of shares at 31.12.19
James Parsons	-
Fiona MacAulay*	**226,099**
Marco Fumagalli (Nusakan plc)	**40,118,865**
Stephen Whyte	-
Martin Hull	**600,000**
Gavin Graham	-

*Fiona MacAulay resigned on 31 May 2019

Subsequent Events

Events which have occurred since 31 December 2019 are included in Note 33 to the attached financial statements.

Going Concern

The financial information for the year to 31 December 2019 has been prepared assuming the Group will continue as a going concern.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

An assessment has been made based on the Group's anticipated activities which have been included in the financial forecast to period ended 31 December 2020. As at 31 December 2019, the Company had cash on hand of US $1.7 million. Whilst the directors remain acutely cost conscious and value focused, the Group recognises that in order to pursue organic and inorganic growth opportunities and fund on-going operations it may require additional funding. This funding may be sourced through debt finance, joint venture equity or share issues. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

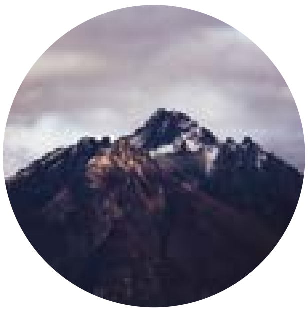
The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern. The directors have however formed a judgment, based on the Group's proven success in raising capital and a review of the strategic options available, that the going concern basis should be adopted in preparing the financial statements.

Information Set Out in the Strategic Report

The directors have chosen to set out the following information relating to the assessment of financial risk on both page 17 of the Strategic Report, and in Note 22 of the Financial Statements.

Signed by order of the directors

Martin Hull
Chief Executive Officer
11 June 2020



Statement of Directors' Responsibilities

Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable laws in the United Kingdom. The maintenance and integrity of the Company's website is the responsibility of the directors. The work carried out by the auditor does not involve the consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in the Annual Report may differ from legislation in other jurisdictions.

We confirm to the best of our knowledge:

- The Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertaking included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Martin Hull
Chief Executive Officer

Auditor's Report

Opinion

We have audited the financial statements of Echo Energy plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2019, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2019;
- the Group and Parent Company statements of financial position as at 31 December 2019;
- the Group and Parent Company statements of cash flows for the year then ended;
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss for the period then ended;
- the Group's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 2 in the financial statements concerning the Group's and Company's ability to continue as a going concern. Further funds will be required to finance the Group's and Company's pursuit of organic and inorganic growth opportunities and fund on-going operations.

The Group is rigorously pursuing the aim of preserving cash, deferrals and cost reductions. If cash flow from existing sources was not sufficient to meet the Group's commitments the directors expect to source additional funding through debt finance, joint venture equity or share issues. However, there are no binding agreements in place to date.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Auditor's Report continued

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be US $300,000, which represents 0.95% of the Group's total assets which we have considered to be the appropriate benchmark for an exploration company.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of US $9,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group and its subsidiaries are accounted for from one central operating location at the Group's registered office. Our audit was conducted remotely this year, due to the travel restriction imposed by the Covid-19 pandemic, with all group companies within the scope of our audit testing. We also engaged local specialist to assist us with review on Argentinian tax matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the following key audit matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition Revenue consists of oil and gas sales from Argentina. Revenue is recognised in accordance with the accounting policy set out in the financial statements where, in accordance with IFRS 15, it can only be recognised when the goods are delivered and title has passed to the customer.	Our work focussed on validating whether revenue has been recognised in accordance with the accounting policy. We reviewed the compliance of the accounting policy, along with the disclosures, per the requirements of IFRS 15. We have agreed a sample of sales to underlying documentation to confirm revenue was being recognised in accordance with the policies.
Carrying value of O&G Properties and Exploration and Evaluation expenditure Echo acquired 70% interest in the Santa Cruz Sur package of five mature producing blocks in Argentina in November 2019. We have considered the risk that exploration assets are incorrectly capitalised or impaired.	We have agreed the costs capitalised to underlying supporting documentation considering whether it meets the criteria of IFRS 6. We have reviewed management's assessment which included their internal model which concluded that there are no facts or circumstances that suggest the carrying amount of the asset exceeds the recoverable amount. This includes: • Challenging management's inputs and assumptions in the valuation model to available market data and other sources of evidence; and • Assessment of the discount rate, market price and reserves. In addition we have considered the following sources of evidence for potential indications of impairment: • Board minutes and budgets setting out the group's plans for the continued commercial appraisal of the exploration assets; and • Discussing plans and intentions with management.

Key audit matter	How the scope of our audit addressed the key audit matter
Convertible debts and warrants issue During the year the group entered into a convertible loan arrangement in which warrants were issued alongside this loan by Echo. There is complexity involved in assessing whether to account for the convertible notes and attached warrants as equity, a liability or a combination of both. In addition there is significant judgement in determining the fair value of the attached warrants at both the initial recognition and the reporting date.	We assessed the terms and conditions of the agreements in relation to the loan and the warrants to determine if the loan and warrants are to be accounted for as equity, liability or a combination of both. We performed a detailed review of the model used in the valuation for the warrants at both inception and the reporting date, and specifically agreed key assumptions used to empirical data. We have considered the judgement made by management in determining the volatility used to calculate the fair value. This included: • Benchmarking of the rates used by similar companies; and • Re-performance of the calculation discounting the cash flows. We considered the adequacy of disclosures, in particular surrounding the judgements provided by management.
Carrying value of Interest in subsidiary undertakings and Amounts receivable from Group undertakings (Company only) We have considered the risk that Interest in subsidiary undertakings and Amounts receivable from Group undertakings assets are impaired.	The recoverability of 'Interest in subsidiary undertakings' and 'Amounts receivable from Group undertakings' in relation to the companies with operations in Argentina is supported by the internal model prepared to support the carrying value of exploration assets and so are considered and discussed within the 'Carrying value of O&G Properties and Exploration and Evaluation expenditure' above. In respect of the Bolivian company we have considered management's assessment of recoverability and have considered the following sources of evidence for potential indications of impairment: • Board minutes and budgets setting out the Group's plans for the continued commercial appraisal; and • Discussing plans and intentions with management.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Auditor's Report continued

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 38, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M Stallabrass

Matthew Stallabrass
(Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
11 June 2020

Consolidated Statement of Comprehensive Income

Year ended 31 December 2019

	Notes	Year to 31 December 2019 US $	Year to 31 December 2018 Restated US $
Continuing operations			
Revenue	4	**2,586,069**	–
Cost of sales	5	**(3,127,542)**	–
Gross profit		**(541,473)**	–
Exploration expenses		**(647,546)**	(800,683)
Administrative expenses		**(3,797,861)**	(4,956,914)
Impairment of intangible assets		**–**	–
Impairment of property, plant and equipment		**–**	–
Operating loss	6	**(4,986,880)**	(5,757,597)
Financial income	8	**92,445**	99,361
Financial expense	9	**(5,475,616)**	(4,002,312)
Derivative financial gain/(loss)	10	**339,219**	–
Loss before tax		**(10,030,832)**	(9,660,548)
Taxation	13	**–**	–
Loss from continuing operations		**(10,030,832)**	(9,660,548)
Discontinued operations			
Profit/(loss) after taxation for the year from discontinued operations	11	**(3,441,230)**	(14,804,618)
Loss for the year		**(13,472,062)**	(24,465,166)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange difference on translating foreign operations		**182,478**	507,849
Total comprehensive loss for the year		**(13,289,584)**	(23,957,317)
Loss attributable to:			
Owners of the parent		**(13,472,062)**	(24,465,166)
Total comprehensive loss attributable to:			
Owners of the parent		**(13,289,584)**	(23,957,317)
Loss per share (cents)	14		
Basic		**(2.61)**	(5.49)
Diluted		**(2.61)**	(5.49)
Loss per share (cents) for continuing operations			
Basic		**(1.94)**	(2.17)
Diluted		**(1.94)**	(2.17)

The notes on pages 50 to 76 form an integral part of these financial statements.

Consolidated Statement of Financial Position

Year ended 31 December 2019

	Notes	31 December 2019 US $	31 December 2018 US $
Non-current assets			
Property, plant and equipment	16	**1,101,210**	335,612
Other intangibles	17	**20,573,586**	1,559,931
		21,674,796	1,895,543
Current Assets			
Inventories	19	**420,844**	802,184
Other receivables	20	**8,677,279**	6,911,075
Cash and cash equivalents	21	**1,698,012**	15,609,303
		10,796,135	23,322,562
Current Liabilities			
Trade and other payables	23	**(7,022,255)**	(2,200,432)
Derivative financial liabilities	24	**(728,783)**	–
		(7,751,038)	(2,200,432)
Net current assets		**3,045,097**	21,122,130
Total assets less current liabilities		**24,719,893**	23,017,673
Non-current liabilities			
Loans due in over one year	27	**(20,604,302)**	(15,914,380)
Provisions	28	**(2,940,000)**	–
Right-of-use liability	29	**–**	(50,709)
		(23,544,302)	(15,965,089)
Total Liabilities		**(31,295,340)**	(18,165,521)
Net Assets		**1,175,591**	7,052,584
Equity attributable to equity holders of the parent			
Share capital	25	**5,190,877**	4,444,999
Share premium	26	**64,817,662**	58,329,880
Warrant reserve		**11,142,290**	11,142,290
Share option reserve		**1,159,580**	1,195,106
Foreign currency translation reserve		**(2,277,812)**	(2,095,334)
Retained earnings		**(78,857,006)**	(65,964,357)
Total Equity		**1,175,591**	7,052,584

These financial statements were authorised for issue and approved by the board of directors on 11 June 2020.

Martin Hull

Company registration number 05483127

The notes on pages 50 to 76 form an integral part of these financial statements.

Company Statement of Financial Position

Year ended 31 December 2019

	Notes	31 December 2019 US $	31 December 2018 US $
Non-current assets			
Property, plant and equipment	16	**121,710**	313,386
Other intangible assets	17	**362,001**	91,888
Interest in subsidiary undertakings	18	**16,005,058**	4,887,527
Amounts receivable from Group undertakings		**12,023,086**	3,954,861
		28,511,855	9,247,662
Current assets			
Other receivables	20	**243,674**	605,776
Cash and cash equivalents	21	**1,259,468**	14,439,984
		1,503,142	15,045,760
Current liabilities			
Trade and other payables	23	**(1,651,179)**	(629,062)
Derivative financial liabilities	24	**(728,783)**	–
		(2,379,962)	(629,062)
Net current assets		**(876,820)**	14,416,698
		27,635,035	23,664,359
Non-current liabilities			
Loans due in over one year	27	**(20,604,302)**	(15,914,380)
Right-of-use liability	29	**–**	(50,709)
		(20,604,302)	(15,965,089)
Total Liabilities		**(22,984,264)**	(16,594,151)
Net Assets		**7,030,733**	7,699,271
Equity			
Share capital	25	**5,190,877**	4,444,999
Share premium	26	**64,817,662**	58,329,880
Warrant reserve		**11,142,290**	11,142,290
Share option reserve		**1,159,580**	1,195,106
Foreign currency translation reserve		**(2,255,402)**	(2,255,402)
Retained earnings		**(73,024,274)**	(65,157,602)
Equity Shareholders' Funds		**7,030,733**	7,699,271

These financial statements were authorised for issue and approved by the board of directors on 11 June 2020.

The Company has not presented its own profit and loss account. Its loss for the year was US $8,263,607 (2018: US $23,937,811).

Martin Hull

Company registration number 05483127

The notes on pages 50 to 76 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2019

	Retained earnings US $	Share capital US $	Share premium US $	Warrant reserve US $	Share option reserve US $	Foreign currency translation reserve US $	Total equity US $
1 January 2018	(42,608,243)	4,065,713	39,888,089	11,241,239	961,676	(1,587,485)	11,960,989
Loss for the year	(9,660,548)	–	–	–	–	–	(9,660,548)
Discontinued operations	(14,804,618)	–	–	–	–	–	(14,804,618)
Exchange Reserve	507,849	–	–	–	–	(507,849)	–
Total comprehensive loss for the year	(23,957,317)	–	–	–	–	(507,849)	(24,465,166)
New shares issued	–	379,286	19,890,017	–	–	–	20,269,303
New share warrants exercised	88,931	–	10,018	(98,949)	–	–	–
Share issue costs	–	–	(1,458,244)	–	–	–	(1,458,244)
Share options lapsed	512,272	–	–	–	(512,272)	–	–
Share-based payments	–	–	–	–	745,702	–	745,702
31 December 2018	(65,964,357)	4,444,999	58,329,880	11,142,290	1,195,106	(2,095,334)	7,052,584
1 January 2019	**(65,964,357)**	**4,444,999**	**58,329,880**	**11,142,290**	**1,195,106**	**(2,095,334)**	**7,052,584**
Loss for the year	**(10,030,832)**	**–**	**–**	**–**	**–**	**–**	**(10,030,832)**
Discontinued operations	**(3,441,230)**	**–**	**–**	**–**	**–**	**–**	**(3,441,230)**
Exchange Reserve	**182,478**	**–**	**–**	**–**	**–**	**(182,478)**	**–**
Total comprehensive loss for the year	**(13,289,584)**	**–**	**–**	**–**	**–**	**(182,478)**	**(13,472,062)**
New shares issued	**–**	**745,878**	**6,924,246**	**–**	**–**	**–**	**7,670,124**
Share issue costs	**–**	**–**	**(436,464)**	**–**	**–**	**–**	**(436,464)**
Share options lapsed	**396,935**	**–**	**–**	**–**	**(396,935)**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**361,409**	**–**	**361,409**
31 December 2019	**(78,857,006)**	**5,190,877**	**64,817,662**	**11,142,290**	**1,159,580**	**(2,277,812)**	**1,175,591**

The notes on pages 50 to 76 form an integral part of these financial statements.

Company Statement of Changes in Equity

Year ended 31 December 2019

	Retained earnings US $	Share capital US $	Share premium US $	Warrant reserve US $	Share option reserve US $	Foreign currency translation reserve US $	Total equity US $
1 January 2018	(41,820,994)	4,065,713	39,888,089	11,241,239	961,676	(2,255,402)	12,080,321
Loss for the year	(8,720,689)	–	–	–	–	–	(8,720,689)
Discontinued operations	(15,217,122)	–	–	–	–	–	(15,217,122)
Total comprehensive loss for the year	(23,937,811)	–	–	–	–	–	(23,937,811)
New shares issued	–	379,286	19,890,017	–	–	–	20,269,303
New share warrants exercised	88,931	–	10,018	(98,949)	–	–	–
Share issue costs	–	–	(1,458,244)	–	–	–	(1,458,244)
Share options lapsed	512,272	–	–	–	(512,272)	–	–
Share-based payments	–	–	–	–	745,702	–	745,702
31 December 2018	(65,157,602)	4,444,999	58,329,880	11,142,290	1,195,106	(2,255,402)	7,699,271
1 January 2019	**(65,157,602)**	**4,444,999**	**58,329,880**	**11,142,290**	**1,195,106**	**(2,255,402)**	**7,699,271**
Loss for the year	**(7,252,983)**	**–**	**–**	**–**	**–**	**–**	**(7,252,983)**
Discontinued operations	**(1,010,624)**	**–**	**–**	**–**	**–**	**–**	**(1,010,624)**
Total comprehensive loss for the year	**(8,263,607)**	**–**	**–**	**–**	**–**	**–**	**(8,263,607)**
New shares issued	**–**	**745,878**	**6,924,246**	**–**	**–**	**–**	**7,670,124**
Share issue costs	**–**	**–**	**(436,464)**	**–**	**–**	**–**	**(436,464)**
Share options lapsed	**396,935**	**–**	**–**	**–**	**(396,935)**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**361,409**	**–**	**361,409**
31 December 2019	**(73,024,274)**	**5,190,877**	**64,817,662**	**11,142,290**	**1,159,580**	**(2,255,402)**	**7,030,733**

Share premium reserve represents the amounts subscribed for share capital in excess of the nominal value of the shares issued, net of cost of issue. Deferred shares are a separate class of share capital.

Warrant reserve represents the cumulative fair value of share warrants granted.

Share options reserve represents the cumulative fair value of share options granted.

Foreign currency translation reserve arises on the retranslation of the prior period results and financial position of foreign operations into presentation currency.

Retained earnings represents the cumulative net gains and losses recognised in the consolidated income statement.

The notes on pages 50 to 76 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2019

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Cash flows from operating activities		
Loss from continuing operations	**(10,030,832)**	(9,660,548)
Loss from discontinued operations	**(3,441,230)**	(14,804,618)
	(13,472,062)	(24,465,166)
Adjustments for:		
Depreciation and depletion of property, plant and equipment	**190,383**	361,073
Depreciation and depletion of intangible assets	**369,874**	–
Loss/(Gain) on disposal of property, plant and equipment	**22,040**	(39,873)
Impairment of intangible assets and goodwill	**2,802,239**	14,148,371
Impairment of property, plant and equipment	**–**	1,068,751
Share-based payments	**361,409**	745,702
Financial income	**(352,579)**	534,243
Financial expense	**5,738,338**	3,301,747
Derivative financial gain	**(339,219)**	–
	8,792,485	(4,345,152)
Decrease/(Increase) in inventory	**381,341**	(802,184)
Decrease/(Increase) in other receivables	**(3,359,213)**	(6,142,997)
(Decrease)/Increase in trade and other payables	**3,753,130**	(1,212,590)
Cash used in operations	**9,567,743**	(12,502,923)
Net cash used in operating activities	**(3,904,319)**	(12,502,923)
Cash flows from investing activities		
Purchase of intangible assets	**(19,245,768)**	(13,208,302)
Purchase of property, plant and equipment	**(979,164)**	(1,357,593)
Net cash used in investing activities	**(20,224,932)**	(14,565,895)
Cash flows from financing activities		
Proceeds from debt	**5,434,727**	–
Debt issue costs	**(388,852)**	–
Interest received	**180,648**	146,038
Interest paid	**(2,085,954)**	(2,744,284)
Repayment of right-of-use liability	**(156,269)**	(161,356)
Issue of share capital	**7,670,124**	20,269,303
Share issue costs	**(436,464)**	(1,458,244)
Net cash from financing activities	**10,217,960**	16,051,458
Net (decrease)/increase in cash and cash equivalents	**(13,911,291)**	(11,017,360)
Cash and cash equivalents at 1 January	**15,609,303**	26,626,663
Cash and cash equivalents at 31 December	**1,698,012**	15,609,303

The notes on pages 50 to 76 form an integral part of these financial statements.

Company Statement of Cash Flows

Year ended 31 December 2019

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Cash flows from operating activities		
Loss from continuing operations	**(7,252,983)**	(8,720,689)
Loss from discontinued operations	**(1,010,624)**	(15,217,122)
Loss before taxation	**(8,263,607)**	(23,937,811)
Adjustments for:		
Provision against amounts owing by subsidiary undertakings	**870,268**	14,516,586
Depreciation of property, plant and equipment	**189,111**	142,873
(Gain)/Loss on disposal of property, plant and equipment	**2,566**	(39,873)
Impairment of intangible assets and goodwill	**140,356**	700,536
Share-based payments	**361,409**	745,702
Financial income	**(311,663)**	(144,872)
Financial expense	**4,112,123**	3,125,743
Derivative financial gain	**(339,219)**	–
	5,024,951	(4,891,116)
Decrease/(Increase) in other receivables	**317,888**	816,008
(Decrease)/Increase in trade and other payables	**(48,897)**	(2,730,323)
Investment in subsidiaries	**(11,117,531)**	(4,887,509)
(Increase) in amounts owing by subsidiary undertakings	**(8,938,493)**	(18,327,233)
Cash used in operations	**(14,762,082)**	(30,020,173)
Net cash used in operating activities	**(23,025,689)**	(30,020,173)
Cash flows from investing activities		
Purchase of intangible assets	**(410,469)**	1,707,576
Purchase of property, plant and equipment	**–**	(86,761)
Net cash (used in)/from investing activities	**(410,469)**	1,620,815
Cash flows from financing activities		
Proceeds from debt	**5,434,727**	–
Debt issue costs	**(388,852)**	–
Interest received	**139,732**	144,872
Interest paid	**(2,007,356)**	(2,573,792)
Repayment of right-of-use liability	**(156,269)**	(142,087)
Issue of share capital	**7,670,124**	20,269,303
Share issue costs	**(436,464)**	(1,458,244)
Net cash from financing activities	**10,255,642**	16,240,052
Net (decease)/increase in cash and cash equivalents	**(13,180,516)**	(12,159,306)
Cash and cash equivalents at 1 January	**14,439,984**	26,599,290
Cash and cash equivalents at 31 December	**1,259,468**	14,439,984

The notes on pages 50 to 76 form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2019

1. Accounting Policies

General Information

These financial statements are for Echo Energy plc ("the Company") and subsidiary undertakings ("the Group"). The Company is registered, and domiciled, in England and Wales and incorporated under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 36.

The Company's functional currency is the United States Dollar ("US $"). Transactions arising in currencies other than the US $ are translated at average exchange rates for the relevant accounting period, with material transactions being accounted at the rate of exchange on the date of the transaction.

The principal accounting policies are summarised below:

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. These financial statements are for the year 1 January 2019 to 31 December 2019. The comparatives shown are for the year 1 January 2018 to 31 December 2018.

New standards and interpretations not applied

At the date of authorisation of these financial statements, a number of standards and interpretations were in issue but not yet effective. The directors do not anticipate that the adoption of these standards and interpretations, or any amendments to existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements in the year of initial application.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiaries under the acquisition method. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

(c) Joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Certain of the Group's licence interests are held jointly with others. Accordingly, the Group accounts for its share of assets, liabilities, income and expenditure of these joint operations, classified in the appropriate statement of financial position and income statement headings.

(d) Revenue

Revenue comprises the invoice value of goods and services supplied by the Group, net of value added taxes and trade discounts. Revenue is recognised in the case of oil and gas sales when goods are delivered and title has passed to the customer. This generally occurs when the product is physically transferred into a pipeline or vessel. Echo recognised revenue in accordance with IFRS 15. Our joint venture partner markets gas and crude oil on our behalf. Gas is transferred via a metred pipeline into the regional gas transportation system, which is part of a national transportation system, control of the gas passes at the point at which the gas enters this network, this is the point at which gas revenue would be recognised. Gas prices vary from month to month based on seasonal demand from customer segments and production in the market as a whole. Our partner agrees pricing with their portfolio of gas clients based on agreed pricing mechanisms in multiple contracts. Some pricing is regulated by government such as domestic supply. Oil shipments are priced in advance of a cargo and revenue is recognised at the point at which cargoes are loaded onto shipping vessel at terminal.

(e) Property, plant and equipment

Property, plant and equipment is stated at cost, or deemed cost less accumulated depreciation, and any recognised impairment loss. Land is stated at cost and is not depreciated. Depreciation is charged so as to write off the cost or valuation of assets less any residual value over their estimated useful lives, using the straight-line method, on the following bases:

Fixtures & fittings	12% to 33.3% straight-line
Motor vehicles	25% straight-line

Oil and gas properties are depleted on a unit of production basis commencing at the start of commercial production or depreciated on a straight-line basis over the relevant asset's estimated useful life. Expenditure is depreciated on a unit of production basis; the depletion charge is calculated according to the proportion that production bears to the recoverable reserves for each property. Depletion will not be charged on an asset in the course of construction, depletion commences when the asset is brought into use.

1. Accounting Policies (continued)

(f) Property right-of-use asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use lease is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the incremental borrowing rate of the individual company which is the lessee.

(g) Other intangible assets - exploration and evaluation costs

Exploration and evaluation ("E&E") expenditure comprises costs which are directly attributable to researching and analysing exploration data. It also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. When it has been established that a mineral deposit has development potential, all costs (direct and applicable overhead) incurred in connection with the exploration and development of the mineral deposits are capitalised until either production commences or the project is not considered economically viable. In the event of production commencing, the capitalised costs are amortised over the expected life of the mineral reserves on a unit of production basis. Other pre-trading expenses are written off as incurred. Where a project is abandoned or is considered to be of no further interest, the related costs are written off.

(h) Impairment of tangible and intangible assets excluding goodwill

At the date of each statement of financial position, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Taxation

Current taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and the tax laws used to compute the amount are those that are enacted, or substantively enacted, by the balance sheet date.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the current year amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Deferred tax assets are recognised to the extent the temporary difference will reverse in the foreseeable future and it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent it is probable that the temporary difference will reverse in the foreseeable future.

1. Accounting Policies (continued)

(j) Conversion of foreign currency

Foreign currency transactions are translated at the average exchange rates over the year, material transactions are recorded at the exchange rate ruling on the date of the transaction. Assets and liabilities are translated at the rates prevailing at the balance sheet date. The Group has significant transactions and balances denominated in Euros ("€") and Great British Pound Sterling ("GBP" or "£"). The year-end exchange rate to US Dollars was US $1 to GBP £0.7649 and US $1 to €0.8906 (2018: US $1 to GBP £0.7837, US $1 to €0.8729). The US Dollars to Argentine Pesos ("ARS $") exchange rate was US $1 to ARS $0.01724 and the average exchange rate during 2019 was US $1 to GBP £0.7822 (2018: US $1 to GBP £0.7489).

In the company financial statements, the income and expenses of foreign operations are translated at the exchange rates ruling at the dates of the transactions. The assets and liabilities of foreign operations, both monetary and non-monetary, are translated at exchange rates ruling at the balance sheet date. The reporting currency of the company and group is the United States Dollar.

(k) Share-based payments

The fair value of equity instruments granted to employees is charged to the income statement, with a corresponding increase in equity. The fair value of share options is measured at grant date, using the binomial option pricing model or Black-Scholes pricing model where considered more appropriate, and spread over the period during which the employee becomes unconditionally entitled to the award. The charge is adjusted to reflect the number of shares or options that vest, except where forfeiture is due to market-based criteria.

(l) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially measured at fair value and are subsequently reassessed at the end of each accounting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- Where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the financial instrument is classified as a financial liability.

(m) Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using a discount rate which reflects the cost of borrowing to the Group. In subsequent periods borrowings are recognised at amortised costs, using an effective interest rate method. Any difference between the fair value of the proceeds costs and the redemption amount is recognised as a finance cost over the period of the borrowings.

(n) Inventory

Echo has chosen to value crude oil inventories, a commodity product, at net realisable value, the value is based on a discounted observable year-end market price. Other inventory items are valued at the lower of net realisable value and cost.

(o) Going concern

The financial information has been prepared assuming the Group will continue as a going concern. Please see Note 2 Accounting Estimates and Judgements for an extended disclosure on this issue.

2. Accounting Estimates and Judgements

Use Of Estimate and Judgements

The preparation of financial statements in conforming with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities as at the balance sheet date and the reported amount of revenues and expenses during the period. Actual outcomes may differ from those estimates. The key sources of uncertainty in estimates that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are the impairment of assets and the Group's going concern assessment.

Amounts Capitalised to the Consolidated Statement of Financial Position

In accordance with the Group policy, expenditures are capitalised only where the Group holds a licence interest in an area. All expenditure relating to the Bolivian assets has been expensed to the statement of comprehensive income, as the Group has not yet been assigned any licence interests in the country. The Group has capitalised its participation in the Tapi Aike licence and the assets acquired in Santa Cruz Sur area. The assignment of Echo´s participation in these Argentine licences is still subject to the authorisation of the Executive Branch of Santa Cruz Province, Echo are supported in this process by their joint venture partner CGC and ROCH S.A. and subsequently Interoil & IOG Resources (see Note 33) in the Santa Cruz Sur assets, and the process of title transfer is proceeding as anticipated.

Valuation of Assets

Expenditures recognised as exploration and evaluation ("E&E") assets are tested for impairment whenever facts and circumstances suggest that they may be impaired, which includes when a licence is approaching the end of its term and is not expected to be renewed, or there are no substantive plans for continued exploration or evaluation of an area, or whilst development of a licence is still likely to proceed in an area but there are indications that the E&E assets are unlikely to be recovered in full.

When considering whether E&E assets are impaired the Group first considers the IFRS 6 indicators. IFRS 6 requires an entity to assess whether E&E assets require impairment when facts and circumstance suggest that the carrying amount of the assets may exceed their recoverable amount, these include:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E assets is unlikely to be recovered in full from successful development or by sale.

In 2018 the CDL assets were written down, Echo decided to leave the license and impaired the balance sheet values as at the end of 2018, the cost of subsequent licence activity in early 2019 was impaired in the current accounting period. The determination of recoverable amounts in any resulting impairment test requires judgement around key assumptions, such as future costs, both capital and operating. There are no indications of impairment on the Tapi Aike asset or the SCS assets.

Included within receivables are amounts due in respect of VAT of US $1.9 million, whilst the reclaim has been submitted to the tax authorities the repayment has yet to be approved. Whilst the Company believes that the claim complies with local law and consequently have not recognised any impairment provision such a provision would be required in the event of any adverse finding by the tax authority . This matter is expected to be resolved within the next 12 months.

Determination of Discount Rates

Determination of derivative financial liabilities

Judgement is requirement when determining the classification of financial instruments in terms of liability or equity. These judgements include an assessment of whether the financial instrument include any embedded derivative features, whether they include contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, and whether that obligation will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes to the Financial Statements continued

2. Accounting Estimates and Judgements (continued)

Valuation of derivative financial liabilities

The Group has issued warrants over ordinary shares as fundraising commission in respect of debt fundraisings during the year which can be converted to share capital at the option of the holder. These warrants are accounted for as an embedded derivative which is recognised at fair value through profit or loss. The directors estimated the fair value of the derivative component using the Black-Scholes option pricing model, as described in Note 24. This required making certain estimates on the share price volatility of the Group which inevitably involved a degree of judgement and the actual outcome may vary.

Inter-Group Balances

In determining whether parent company investments in subsidiaries have been impaired, we review subsidiary assets and liabilities to determine whether Group investment is recoverable. The only entity where an impairment trigger might be recognised was the Bolivian entity where the Group holds no licence assets. A determination was made that because of ongoing negotiations and Company strategic intent, investment would ultimately still be recoverable.

Going Concern

The financial information has been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

In the first quarter of 2020 the oil price has been affected by the global spread of Covid-19 and the resultant reduction in oil demand. Oil prices have continued to decline significantly. The Company confirms that, prior to cost reductions, operations at the Santa Cruz Sur assets are not currently cash flow positive at prevailing oil and gas price levels. The Company's existing cash resources will not be sufficient to sustain operations at legacy Santa Cruz Sur cost levels beyond the short term. Substantial progress has been made with cost reduction initiatives in the Santa Cruz Sur assets as a response to prevailing commodity prices.

During the first half of 2020 the Company and its operating partners are working to substantially reduce monthly operating cash outflows at Santa Cruz Sur through a combination of cost reductions and deferments.

At a corporate level, in accordance with our previously stated aim of preserving cash, deferrals and cost reductions are being rigorously pursued. Through a combination of contract renegotiation, cost cutting and expense deferrals which started to come into effect from 1 April 2020, monthly general and administrative outflows will be reduced by around 50% of corporate budget.

The Group recognises that in order to pursue organic and inorganic growth opportunities and fund on-going operations it may require additional funding. This funding may be sourced through debt finance, joint venture equity or share issues. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern. The directors have formed a judgement based on Echo's proven success in raising capital and a review of the strategic options available to the Group, that the going concern basis should be adopted in preparing the financial statements.

3. Business Segments

The Group has adopted IFRS 8 Operating Segments. Per IFRS 8, operating segments are regularly reviewed and used by the board of directors, being the chief operating decision maker for strategic decision-making and resources allocation, in order to allocate resources to the segment and assess its performance. The Group's reportable operating segments are as follow:

a. Corporate and Administrative

b. Santa Cruz Sur

c. Tapi Aike

d. Bolivia

e. Eastern Austral Basin (discontinued)

Performance is based on assessing progress made on projects and the management of resources used. Segment assets and liabilities are presented inclusive of inter-segment balances. Reportable segments are based around licence activity, certain corporate cost costs collate data across legal entities and the segmental analysis reflects this.

Information regarding each of the operations of each reportable segment within continuing operations is included in the following table.

3. Business Segments (continued)

All revenue, which represents turnover, arises within Argentina and relates to external parties:

	Corporate & Administrative US $	Santa Cruz Sur US $	Tapi Aike US $	Bolivia US $	Total US $
Year to 31 December 2019					
Revenues	**–**	**2,586,069**	**–**	**–**	**2,586,069**
Cost of sales	**–**	**(3,127,542)**	**–**	**–**	**(3,127,542)**
Exploration expense	**(587,640)**	**–**	**(40,043)**	**(19,863)**	**(647,546)**
Administration expense	**(3,545,328)**	**–**	**–**	**(252,533)**	**(3,797,861)**
Financial income	**92,445**	**–**	**–**	**–**	**92,445**
Financial expense	**(5,475,203)**	**–**	**–**	**(413)**	**(5,475,616)**
Derivative financial gain	**339,219**	**–**	**–**	**–**	**339,219**
Depreciation	***(175,798)***	***(373,212)***	**–**	***(15,822)***	***(564,832)***
Income tax	**–**	**–**	**–**	**–**	**–**
Loss before tax	**(9,176,507)**	**(541,473)**	**(40,043)**	**(272,809)**	**(10,030,832)**
Non-current assets	**233,174**	**10,871,059**	**10,566,890**	**3,673**	**21,674,796**
Assets	**6,943,503**	**14,154,248**	**11,328,060**	**45,120**	**32,470,931**
Liabilities	**(23,142,362)**	**(7,205,500)**	**(905,979)**	**(41,499)**	**(31,295,340)**

	Parent Company US $	Eastern Austral Basin US $	Tapi Aike US $	Bolivia US $	Ksar Hadada US $	Consolidation US $	Total US $
Year to 31 December 2018							
Revenues	–	8,841,309	–	–	–	–	8,841,309
Cost of sales	–	(8,217,029)	–	–	–	–	(8,217,029)
Exploration expense	(322,909)	(98,410)	–	(379,364)	–	–	(800,683)
Administration expense	(19,077,748)	(264,117)	(47,223)	(295,468)	(26,844)	14,578,339	(5,133,061)
Impairment of intangible assets	(700,536)	(13,447,835)	–	–	–	–	(14,148,371)
Impairment of property, plant and equipment	–	(1,068,751)	–	–	–	–	(1,068,751)
Financial income	778,943	(654,367)	(25,914)	(1,493)	200	1,992	99,361
Financial expense	(3,826,027)	(165,491)	(4,973)	(5,814)	(7)	–	(4,002,312)
Depreciation	*(142, 873)*	*(202,081)*	–	*(16,119)*	–	–	*(361,073)*
Income tax	–	–	–	–	–	–	–
Loss before tax	(23,148,277)	(15,074,691)	(78,110)	(682,139)	(26,651)	14,580,331	(24,429,537)
Non-current assets	9,155,775	(3,003,937)	1,203,726	(567,514)	(1,577,127)	(3,315,380)	1,895,543
Assets	24,201,534	4,357,142	2,081,351	(536,303)	(1,577,070)	(3,308,549)	25,218,105
Liabilities	(16,594,151)	(1,405,022)	(123,842)	(41,330)	(1,176)	–	(18,165,521)

Consolidation adjustments in respect of assets relate to the impairment of intercompany assets.

The geographical split of non-current assets arises as follows:

	United Kingdom US $	South America US $	Total US $
31 December 2019			
Property, plant and equipment	**121,710**	**979,500**	**1,101,210**
Other intangible assets	**362,001**	**20,211,585**	**20,573,586**
31 December 2018			
Property, plant and equipment	313,386	22,226	335,612
Other intangible assets	–	1,559,931	1,559,931

Notes to the Financial Statements continued

4. Revenue

	Year to 31 December 2019 US $	Year to 31 December 2018 US $ Restated
Oil revenue	1,395,356	–
Gas revenue	1,190,713	–
Total Revenue	2,586,069	–

Revenue arising from operations in the CDL licences has been reclassified as part of discontinued operations.

5. Cost of Sales

	Year to 31 December 2019 US $	Year to 31 December 2018 US $ Restated
Production costs	2,794,339	–
Selling and distribution costs	311,161	–
Movement in stock of crude oil	(351,170)	–
Depletion	373,212	–
Total Costs	3,127,542	–

Cost of sales arising from operations in the CDL licences has been reclassified as part of discontinued operations.

6. Expenses and Auditor's Remuneration

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
The operating loss is stated after charging the following amounts:		
Depreciation of property, plant and equipment – owned	190,383	158,306
Loss/(Gain) on disposal of property, plant and equipment	12,120	(39,873)
Fees payable to the Company's auditor for the audit of the Company's annual accounts	54,998	42,006
Fees payable to the Company's auditor and its associates for other services:		
– Corporate finance services		–
– Audit and subsidiaries	2,579	19,335
Share based payments	361,409	745,702

7. Staff Costs and Numbers

The average number of persons employed by the Group during the year including executive directors is analysed below:

	Year to 31 December 2019	Year to 31 December 2018
Administration	15	12

7. Staff Costs and Numbers (continued)

Group employment costs – all employees including executive directors:

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Wages and salaries	**1,952,797**	2,339,305
Social security costs	**261,169**	361,248
Pension contributions	**54,730**	49,788
Share-based payments – equity-settled	**361,409**	745,702
Total	**2,630,105**	3,496,043

Directors' remuneration is set out in the Directors' Remuneration Report on pages 34-35 of this report.

Remuneration of Key Personnel is set out in the table below.

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Wages and salaries	**1,075,128**	1,428,631
Bonus	**52,424**	398,062
Termination benefits	**–**	48,734
Pension contributions	**22,614**	13,353
Private health insurance	**11,912**	7,970
Share-based payments	**280,475**	532,604
Total	**1,442,553**	2,429,354

8. Financial Income

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Interest income	**92,445**	149,020
Net foreign exchange loss	**–**	(49,659)
Total	**92,445**	99,361

9. Financial Expense

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Interest payable	**1,940,527**	2,039,418
Net foreign exchange losses	**1,247,936**	–
Unwinding of discount on long term loan	**1,688,536**	1,283,309
Amortisation of loan fees	**464,283**	457,485
Accretion of right-of-use liabilities	**17,401**	53,194
Bank fees and overseas transaction tax	**116,933**	168,906
Total	**5,475,616**	4,002,312

Notes to the Financial Statements continued

10. Derivative Financial Gain/(Loss)

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Fair value gain	**339,219**	–
Total	**339,219**	–

Represents fair value gain on valuation of derivatives instruments at period end.

11. Discontinued Operations

On 20 May 2019 the Company announced that it had negotiated an accelerated close of the initial phase of works on the CLD concession with CGC. This resulted in Echo withdrawing its interests and liabilities under the CDL concessions prior to the commencement of the second stage of works. Following the winding down of operations, Tunisia Independent Resources (Ksar Hadada) Ltd was dissolved in June 2019, all assets having been fully impaired in prior periods.

The results of the discontinued operations, are presented below:

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Revenue	**2,838,880**	8,841,309
Operating expenses	**(3,478,991)**	(8,217,029)
Operating loss before impairment	**(640,111)**	624,280
Administrative expenses	**–**	(176,147)
Impairment of the historic cost and carrying value of intangible assets	**(2,802,239)**	(14,148,371)
Impairment of the historic cost and carrying value of PPE	**–**	(1,068,751)
Loss on disposal of foreign subsidiary	**1,120**	(35,629)
Operating (loss)/gain after liquidation	**(3,441,230)**	(14,804,618)
Financial income	**–**	–
Financial expense	**–**	–
(Loss)/Gain on ordinary activities before taxation	**(3,441,230)**	(14,804,618)
Taxation	**–**	–
(Loss)/Gain for the year from discontinued operations	**(3,441,230)**	(14,804,618)

The cash flows associated with the discontinued operations are:

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Operations	**(640,111)**	(448,133)
Investing	**–**	–
Financing	**–**	–
Net cash out flow	**(640,111)**	(448,133)

12. Joint Arrangements

As described in both the strategic and governance reports, in particular in the Financial Review, and in Note 33 to the accounts, Echo has joint arrangements within the Tapi Aike and SCS concessions. The Group accounts for its share of assets, liabilities, income and expenditure of these joint operations in accordance with its equity interest in each. Echo holds 70% of the SCS working interest and now holds 19% of the Tapi Aike concession. Our joint venture assets and liabilities are separately disclosed throughout the financial statements.

13. Taxation

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Tax on profit on ordinary activities		
Taxation charged based on profits for the period	–	–
UK corporation tax based on the results for the period	–	–
Total tax expense in income statement	–	–

Reconciliation of the Tax Expense

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2018: 19%). The references are explained below:

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Loss on ordinary activities before taxation	**(10,030,832)**	(9,660,548)
Loss from discontinued operations	**(3,441,230)**	(14,804,618)
Loss for the year before tax	**(13,472,062)**	(24,465,166)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**(2,559,692)**	(4,641,612)
Effects of:		
Expenses disallowed for tax purposes	**346,664**	637,033
Deferred tax not provided – tax losses carried forward	**2,213,028**	4,004,579
Total current tax	–	–

The parent entity has tax losses available to be carried forward, and further tax losses are available in certain subsidiaries. With anticipated substantial lead times for the Group's projects, and the possibility that these may expire before their use, it is not considered appropriate to anticipate an asset value for them.

No amounts have been recognised within tax on the results of the equity-accounted joint ventures.

14. Loss Per Share

The calculation of basic and diluted loss per share at 31 December 2019 was based on the loss attributable to ordinary shareholders. The weighted average number of ordinary shares outstanding during the year ending 31 December 2019 and the effect of the potentially dilutive ordinary shares to be issued are shown below.

	Year to 31 December 2019	Year to 31 December 2018
Net loss for the year (US $)	**(13,472,062)**	(24,465,166)
Basic weighted average ordinary shares in issue during the year	**515,840,359**	445,515,538
Diluted weighted average ordinary shares in issue during the year	**515,840,359**	445,515,538
Loss per share (cents)		
Basic	**(2.61)**	(5.49)
Diluted	**(2.61)**	(5.49)

In accordance with IAS 33 and as the entity is loss making, including potentially dilutive share options in the calculation would be anti-dilutive.

Deferred shares have been excluded from the calculation of loss per share due to their nature. Please see Note 25 for details of their rights.

15. Loss of the Parent Company

The parent company is not required to produce its own profit and loss account (or IFRS equivalent) because of the exemption provision in Section 408 of the Companies Act 2006.

16. Property, Plant and Equipment (Group)

	PPE – O&G Properties US $	CDL Licence Areas Discontinued US $	Fixtures & Fittings US $	Property Right-of-Use Assets US $	Total US $
31 DECEMBER 2019					
Cost					
1 January 2019	–	1,270,832	156,554	334,625	1,762,011
Exchange differences	–	–	–	–	–
Additions	979,164	–	–	–	979,164
Disposals	–	(1,270,832)	(25,432)	(24,821)	(1,321,085)
31 December 2019	979,164	–	131,122	309,804	1,420,090
Depreciation					
1 January 2019	–	1,270,832	66,400	89,167	1,426,399
Exchange differences	–	–	–	–	–
Charge for the year	3,338	–	38,279	148,766	190,383
Impairment charge	–	–	–	–	–
Disposals	–	(1,270,832)	(13,313)	(13,757)	(1,297,902)
31 December 2019	3,338	–	91,366	224,176	318,880
Carrying amount					
31 December 2019	975,826	–	39,756	85,628	1,101,210
31 December 2018	–	–	90,155	245,458	335,612
31 DECEMBER 2018					
Cost					
1 January 2018	–	–	95,632	363,058	458,690
Exchange differences	–	–	–	–	–
Additions	1,270,832	–	79,848	334,625	1,685,305
Disposals	–	–	(18,926)	(363,058)	(381,984)
31 December 2018	1,270,832	–	156,554	334,625	1,762,011
Depreciation					
1 January 2018	–	–	37,352	36,306	73,658
Exchange differences	–	–	–	(686)	(686)
Charge for the year	202,081	–	32,833	126,159	361,073
Impairment charge	1,068,751	–			1,068,751
Disposals	–	–	(3,785)	(72,612)	(76,397)
31 December 2018	1,270,832	–	66,400	89,167	1,426,399
Carrying amount					
31 December 2018	–	–	90,155	245,458	335,612
31 December 2017	–	–	58,279	326,752	385,031

Included within property, plant and equipment are amounts of US $942,976 in relation to assets in construction and as a result are not depleted on the unit of production basis, this will commence when they are available for use.

16. Property, Plant and Equipment (Company) (continued)

	Fixtures & Fittings US $	Property Right-of-Use Assets US $	Total US $
31 DECEMBER 2019			
Cost			
1 January 2019	**142,704**	**309,804**	**452,508**
Additions	**–**	**–**	**–**
Disposals	**(15,878)**	**–**	**(15,878)**
31 December 2019	**126,826**	**309,804**	**436,630**
Depreciation			
1 January 2019	**63,712**	**75,410**	**139,122**
Charge for the year	**40,343**	**148,765**	**189,109**
Disposals	**(13,313)**	**–**	**(13,313)**
Exchange	**–**	**–**	**–**
31 December 2019	**90,744**	**224,176**	**314,920**
Carrying amount			
31 December 2019	**36,082**	**85,628**	**121,710**
31 December 2018	78,992	234,394	313,386
31 DECEMBER 2018			
Cost			
1 January 2018	81,782	363,058	444,840
Additions	79,848	309,804	389,652
Disposals	(18,926)	(363,058)	(381,984)
31 December 2018	142,705	309,804	452,508
Depreciation			
1 January 2018	37,026	36,306	73,332
Charge for the year	30,471	112,402	142,873
Disposals	(3,785)	(72,612)	(76,397)
Exchange	–	(686)	(686)
31 December 2018	63,712	75,410	139,122
Carrying amount			
31 December 2018	78,992	234,394	313,386
31 December 2017	44,756	326,752	371,508

Notes to the Financial Statements continued

17. Other Intangible Assets (Group)

Exploration and Evaluation

	Argentina Exploration & Evaluation US $	CDL Licence Areas Discontinued US $	Ksar Hadada Exploration Acreage US $	Total US $
31 DECEMBER 2019				
Cost				
1 January 2019	**1,559,930**	**14,148,371**	**2,043,430**	**17,751,731**
Additions	**16,443,530**	**2,802,239**	**–**	**19,245,769**
Disposals	**–**	**(16,950,610)**	**(2,043,430)**	**(18,994,040)**
Decommissioning asset	**2,940,000**	**–**	**–**	**2,940,000**
31 December 2019	**20,943,460**	**–**	**–**	**20,943,460**
Impairment and depletion				
1 January 2019	**–**	**14,148,371**	**2,043,430**	**16,191,801**
Disposals	**–**	**(16,950,610)**	**(2,043,430)**	**(18,994,040)**
Depletion	**369,874**	**–**	**–**	**369,874**
Impairment charge for the year	**–**	**2,802,239**	**–**	**2,802,239**
31 December 2019	**369,874**	**–**	**–**	**369,874**
Carrying amount				
31 December 2019	**20,573,586**	**–**	**–**	**20,573,586**
31 December 2018	1,559,931	–	–	1,559,931
31 DECEMBER 2018				
Cost				
1 January 2018	2,500,000	–	2,043,429	4,543,429
Additions	14,479,134	–	–	14,479,134
Transfer to PPE	(1,270,832)	–		(1,270,832)
31 December 2018	15,708,302	–	2,043,429	17,751,731
Impairment				
1 January 2018	–	–	2,043,429	2,043,429
Impairment charge for the year	14,148,371	–	–	14,148,371
31 December 2018	14,148,371	–	2,043,429	16,191,800
Carrying amount				
31 December 2018	1,559,931	–	–	1,559,931
31 December 2017	2,500,000	–	–	2,500,000

All intangible assets relate to oil & gas activities. The Group's oil and gas assets were assessed for impairment as at 31 December 2019. Two CGU's were recognised: the SCS licence concession and the Tapi Aike licence concession. Impairment assessments are prepared on the basis of comparing the present value of discounted cash flows with the carrying value of the assets.

The post balance sheet uncertainty relating to Covid-19, the duration and effect on local markets, cannot yet be accurately quantified, however, the impairment assessment reflected reduced production levels as announced post period by Echo to reflect demand conditions in the market and relatively conservative pricing assumptions.

17. Other Intangible Assets (Company) (continued)

Exploration and Evaluation

	Argentina Exploration & Evaluation US $	Total US $
31 DECEMBER 2019		
Cost		
1 January 2019	**792,424**	**792,424**
Additions	**410,469**	**410,469**
Disposals	**(840,892)**	**(840,892)**
31 December 2019	**362,001**	**362,001**
Impairment		
1 January 2019	**700,536**	**700,536**
Impairment charge for the year	**140,356**	**140,356**
Disposals	**(840,892)**	**(840,892)**
31 December 2019	**–**	**–**
Carrying amount		
31 December 2019	**362,001**	**362,001**
31 December 2018	91,888	91,888
31 DECEMBER 2018		
Cost		
1 January 2018	2,500,000	2,500,000
Additions	792,424	792,424
Disposals	(2,500,000)	(2,500,000)
31 December 2018	792,424	792,424
Impairment		
1 January 2018	–	–
Impairment charge for the year	700,536	700,536
31 December 2018	700,536	700,536
Carrying amount		
31 December 2018	91,888	91,888
31 December 2017	2,500,000	2,500,000

Notes to the Financial Statements continued

18. Interest in Subsidiary Undertakings

	Year to 31 December 2019 US $	Year to 31 December 2018 US $
Cost		
1 January	**19,404,113**	18
Additions in year	**11,117,535**	19,404,095
31 December	**30,521,648**	19,404,113
Impairment		
1 January	**14,516,586**	–
Impairment	**4**	14,516,586
31 December	**14,516,590**	14,516,586
Carrying amount		
31 December	**16,005,058**	4,887,527
31 December 2018/2017	**4,887,527**	18

During the year additional capital was injected into Eco Energy CDL Op Limited and Eco Energy TA Op Limited.

Details of the subsidiaries are as follows:

Subsidiary	Class of Share	% Owned	Country of Registration	Nature of Business
Echo Energy Holdings (UK) Limited	Ordinary	100%	England & Wales	Holding company
Echo Energy Argentina Holdings Limited	Ordinary	100%	England & Wales	Holding company
Echo Energy Tapi Aike Limited	Ordinary	100%	England & Wales	Holding company
Eco Energy TA Op Limited	Ordinary	100%	England & Wales	Holder of Argentinian branch assets
Echo Energy C D & LLC Limited	Ordinary	100%	England & Wales	Holding company
Eco Energy CDL Op Limited	Ordinary	100%	England & Wales	Holder of Argentinian branch assets
Echo Energy Bolivia (Hold Co 1) Limited	Ordinary	100%	England & Wales	Holding company
Echo Energy Bolivia (Op Co 1) Limited	Ordinary	100%	England & Wales	Holder of Bolivian branch assets
Echo Energy Bolivia (Hold Co 2) Limited	Ordinary	100%	England & Wales	Holding company
Echo Energy Bolivia (Op Co 2) Limited	Ordinary	100%	England & Wales	Dormant

The registered address for all of the above subsidiaries is: 85 Great Portland Street, First Floor, London, W1W 7LT

The following companies were dissolved on 25th June 2019:

Subsidiary	Class of Share	% Owned	Country of Registration	Nature of Business
Independent Resources (Ksar Hadada) Limited	Ordinary	100%	England & Wales	Dormant
Independent Resources (Sahara) Limited	Ordinary	100%	England & Wales	Dormant
Independent Resources (Tunisia) Limited	Ordinary	100%	England & Wales	Dormant

The companies were dormant prior to dissolution, their activities had been wound down and completed following the change in strategic direction of Echo Energy plc (formerly Independent Resources plc).

19. Inventories

	31 December 2019		31 December 2018	
	Group US $	Company US $	Group US $	Company US $
Crude oil	**420,844**	**–**	744,298	–
Parts and supplies	**–**	**–**	57,886	–
Total	**420,844**	**–**	802,184	–

Crude oil inventories are measured at Net Realisable Value, other inventory items are measured at the lower of cost and Net Realisable Value.

20. Other receivables

	31 December 2019		31 December 2018	
	Group US $	Company US $	Group US $	Company US $
Non-current				
Amounts owing by subsidiary undertakings	**–**	**12,893,354**	–	5,531,988
Amounts provided against	**–**	**(870,268)**	–	(1,577,127)
Total	**–**	**12,023,086**	–	3,954,861
Current				
Trade receivables	**1,002,295**	**–**	731,416	44,214
Accrued income	**1,181,838**	**–**	420,690	–
Other receivables	**6,056,470**	**142,910**	3,672,157	472,293
Prepayments	**436,676**	**100,764**	2,086,812	89,269
Total	**8,677,279**	**243,674**	6,911,075	605,776

Other receivables in the Group and the Company principally comprise recoverable Value Added Tax and joint venture receivables. The directors consider that the carrying amount of trade and other receivables approximated their fair value.

21. Cash and Cash Equivalents

	31 December 2019		31 December 2018	
	Group US $	Company US $	Group US $	Company US $
Cash held by joint venture partners	**300,746**	**–**	576,909	–
Cash and cash equivalents	**1,397,266**	**1,259,468**	15,032,394	14,439,984
Total	**1,698,012**	**1,259,468**	15,609,303	14,439,984

Echo have advanced cash to our joint venture partners; this cash is held by our partners in a ring-fenced account. We recognise our equity share of the balance held.

22. Financial Instruments and Treasury Risk Management

Fair Value of Financial Assets and Liabilities

The carrying values of financial assets and liabilities are considered to be material equivalent to their fair values.

Treasury Risk Management

The Group manages a variety of market risks, including the effects of changes in foreign exchange rates, liquidity and counterparty risk.

Credit Risk

The Group's principal financial assets are bank balances and cash and other receivables.

The credit risk on liquid funds is limited because the counterparties are UK, Argentine and Bolivian banks with high credit ratings. The Group operates with positive cash and cash equivalents as a result of issuing share capital in anticipation of future funding requirements. The Group's policy is therefore one of achieving high returns with minimal risks. In order to provide a degree of certainty, the Group primarily invests in short-term fixed-interest treasury deposits giving a low risk profile to these assets.

In Echo's Santa Cruz Sur assets, acquired in November 2019, operating partner ROCH S.A. markets our hydrocarbon, primarily to well established utilities. Echo carries a marginally higher credit risk exposure as Echo deals directly with counterparties for payment, however as the Group's principle customers are substantial oil and gas utility companies and refiners, as such credit risk is considered to be low. There is no history of credit loss, non-payment or default by the inherited counterparties and the calculated amount of the potential 12-month credit risk loss is not material. The Company has low credit risk in respect of receivables as a result of supplying reputable oil and gas purchasers. All receivables have been recovered in full since 1 January 2019. The group has applied the expected credit loss model as required by the adoption of IFRS 9. Given current contractual arrangements where pricing has already been determined at the point where receivables from hydrocarbon sales are recognised as revenue, and the fact that contract counterparties are large corporate entities or utilities no provision was made for losses as any potential losses would be immaterial.

The maximum exposure due to credit risk for the Group on other receivables and amounts due from equity accounted joint operations during the year was US $6,928,450 (2018: US $1,623,344). No collateral is held in respect of these amounts.

The maximum exposure due to credit risk for the Company on intercompany receivables and other receivables during the year was US $28,028,144 (2018: US $24,720,880). No collateral is held in respect of these amounts. Intergroup funding is assessed for indications of impairment on a periodic basis. Investments and subsidiaries and intergroup loans in the amount of US $14,516,586 (2018: US $16,007,149) are considered to be impaired and have been provided against in full. All other amounts are expected to be received in full.

Currency Risk

The Group's operations are primarily located in the South America, and the United Kingdom, with the main exchange risk being between the US Dollar and the Argentine Pesos. The Argentine Pesos has devalued by approximately 37% over the year. The Group addressed this risk by minimising exposure to the currency. The majority of Group revenues for the year were denominated in US Dollars but certain liabilities and revenues were denominated in Argentine Pesos. In certain instances the counterparty for settlement of pesos income and expenditure was the same. In these instances pesos balances were offset. Balances were held in dollars until settlement was due, and where short-term pesos balances were held these were placed on overnight deposit. The Group does hold substantial receivable VAT balances denominated in pesos and has sought to expedite recovery to mitigate devaluation losses.

22. Financial Instruments and Treasury Risk Management (continued)

At year end the Group held the following cash and cash equivalent balances:

	31 December 2019 US $	31 December 2018 US $
US Dollars	**731,351**	12,639,814
GBP Sterling	**393,637**	2,470,308
Euro	**181,742**	446,422
Argentine Pesos	**384,470**	45,802
Bolivian Boliviano	**6,812**	6,957
Total	**1,698,012**	15,609,303

The consolidated statement of comprehensive income would be affected by US $44,730 (2018: US $246,974) if the exchange rate between US $ and GBP changed by 10%. If the exchange rate between the US $ and the Euro changed by 10% there would be a profit or loss of US $30,972 (2018: US $44,642). There would be a loss of US $83,906 if the exchange rate between the Argentine Pesos and US Dollar changed by 20%.

The Group has exposure to the Euro, Echo hold €25million bond notes, the Group held Euro denominated funds at the beginning of the period to cover servicing of debt during the accounting year. The primary source of funds for the Group in the period was equity raised in GBP, these funds were immediately translated into US Dollars to fund exploration and acquisition activity in Argentina. No hedging products were used during this accounting period, but management actively review currency requirements to assess the suitability of hedging products. The Group consolidated statement of income would be affected by approximately US $2,318,139 (2018: US $2,076,333) by a reasonably possible 10 percentage points fluctuation in the exchange rate between US Dollars and Euros.

The VAT regime in Argentina differs from international practise as VAT investment activities are not immediately recoverable but must be offset against revenue streams. The Company has made substantial investments in Argentina in 2018 and 2019 and has accordingly built up a material VAT receivable balance. A new mechanism has been approved by government through Law No. 27430 and Decree 813/2018. The mechanism will allow technical VAT credits associated with the purchase of capital assets from 1 January 2018 to be recovered through application if the Company has not been able to recover the VAT within six months. Echo submitted an application for the recovery of historic VAT balances as soon as the legislation permitted.

Interest Rate Risk

The Group holds debt instruments that were issued at a fixed rate. As part of the Group's policy to maximise returns on cash held, cash held is placed in interest bearing accounts where possible. During the course of 2019 Echo invested cash into operations and did not hold significant cash balances for prolonged periods of time. The consolidated statement of comprehensive income would be affected by US $925 (2018: US $253,962) by a 1% point change floating interest rate on a full-year basis.

The Group's actively manages its working capital to ensure the Group has sufficient funds for operations and planned activities. Operational cash flow represents receipts from revenue, together with on-going direct operational support costs, exploration, appraisal, administration and business development costs. The Group manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts. The Group's policy is to ensure facilities are available as required, to issue equity share capital and form strategic alliances in accordance with long-term cash flow forecasts. The Group currently has no undrawn committed facilities as at 31 December 2019.

The Group's financial liabilities are primarily obligations under joint operations, trade payables and operational costs. All amounts are due for payment in accordance with agreed settlement terms with suppliers or statutory deadlines and all within one year.

22. Financial Instruments and Treasury Risk Management (continued)

Liquidity Risk

The Group holds Euro denominated long-term debt. See Note 27

The Group does not currently use derivative financial instruments to hedge currency and commodity price risk as it is not considered necessary. Should the Group identify a requirement for the future use of such financial instruments, a comprehensive set of policies and systems as approved by the directors will be implemented.

In accordance with IFRS 9, "Financial instruments: recognition and measurement", the Group has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they meet specific requirements set out in the standard.

Commodity Price Risk

The Group is now exposed to the risk of fluctuations on prevailing commodity market prices. The Group does not use commodity forward contracts and futures to hedge against price risk in commodities as current volumes and market conditions mean they are not yet appropriate for Echo.

A 10% increase in the price of Gas would have increased revenue by approximately US $119,071

A 10% increase in the price of Oil would have increased revenue by approximately US $139,536

Capital Management

The Group's legacy strategy has led to its capital structure being a mixture of debt and equity. The directors will reassess the future capital structure when projects under development are sufficiently advanced and restructure accordingly.

The Group's financial strategy is to utilise its resources to further appraise and test the Group's projects, forming strategic alliances for specific projects where appropriate together with assessing target acquisitions. The Group keeps investors and the market informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

Categories of Financial Instruments

All of the Group's financial assets are carried at amortised cost. The Group's embedded derivative is classified at fair value through profit or loss, the remaining Group's financial liabilities are classified as financial liabilities at amortised cost.

23. Trade and Other Payables

	31 December 2019		31 December 2018	
	Group US $	Company US $	Group US $	Company US $
Trade payables	**398,216**	**112,701**	539,835	229,458
Taxation and social security costs	**253,439**	**128,834**	112,262	100,366
Non-trade payables	**9,156**	**–**	73,620	64,464
Accruals	**92,386**	**54,501**	92,861	79,740
Right-of-use liability	**64,180**	**64,180**	166,098	155,034
Other loans	**1,290,963**	**1,290,963**	–	–
Joint venture payables	**4,913,915**	**–**	1,215,756	–
Total	**7,022,255**	**1,651,179**	2,200,432	629,062

24. Derivative Financial Liabilities

	31 December 2019 US $	31 December 2018 US $
Embedded derivative	**728,783**	–
Total	**728,783**	–

The embedded derivative represents the warrants issued along with the convertible debt facility with Lombard Odier Asset Management (Europe) Ltd (see Note 27). It is recognised at fair value through profit or loss. On conversion to Company's shares, the fair value of the embedded derivative is transferred to equity.

The fair values on the grant date and each reporting date were determined using the Black-Scholes option pricing model. The following key assumptions were used in determining the derivative's fair value at the reporting date:

	31 December 2019 US $	31 December 2018 US $
Market stock price	**2.9p**	2.3p
Option strike price	**3.0p**	3.0p
Volatility	**65.55%**	67.29%
Expiration of the option	**3 years**	2.9 years
Risk-free rate	**0.79%**	0.79%

An increase of 10% in the volatility measure would result in an increase in the year end fair value of US $96,733 with a reduction in the gain.

Level 3 fair value measurements

Warrants instruments are deemed to be Level 3 liabilities under the fair value hierarchy as fair value measures of these liabilities are not based on observable market data. The movement in their fair values is shown in the table below:

	31 December 2019 US $	31 December 2018 US $
At 1 January	**–**	–
New issue of warrants	**1,068,002**	–
Fair value movements recognised through profit or loss	**(339,219)**	–
Total	**728,783**	–

25. Share Capital

	31 December 2019		31 December 2018	
	Group US $	Company US $	Group US $	Company US $
Issued, Called Up and Fully Paid				
711,717,587 0.32¢ (2018:477,939,144 0.32¢) ordinary shares				
1 January 2019	**4,444,999**	**4,444,999**	4,065,713	4,065,713
Equity shares issued	**745,878**	**745,878**	379,286	379,286
31 December 2019	**5,190,877**	**5,190,877**	4,444,999	4,444,999

The holders of 0.32¢ (0.25p) ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.

On 22nd October 2019, in conjunction with its proposed acquisition in Argentina of the Santa Cruz Sur assets, Echo issued 125,200,000 ordinary shares at 0.25p per share. Following the completion of the acquisition, Echo issued a further 108,578,443 ordinary shares at 0.25p per share. No further shares were issued during the period through a combination of the exercise of warrants and options.

25. Share Capital (continued)

In addition to the 0.25p ordinary shares detailed above, as part of capital reorganisations in 2015 and 2016, 8,103,655 (consolidated) deferred shares with a nominal value of 22.5p and 6,796,235 (consolidated) deferred shares with a nominal value of 2.25p were created respectively. The deferred shares and the 2016 deferred shares have no value or voting rights and the shareholders were not issued with a share certificate, nor are they listed on AIM. These shares remain issued, called up and fully paid at the period end.

Further shares issued during the year was as follows:

	Date	Shares	Price (p)	Prices (¢)
1 January 2019		477,939,144		
Shares issued @ .25p Santa Cruz Sur Acquisition	22/10/2019	125,200,000	2.50	3.16
Shares issued @ .25p Santa Cruz Sur Acquisition	11/11/2019	68,620,000	2.50	3.22
Shares issued @ .25p Santa Cruz Sur Acquisition	11/11/2019	39,958,443	2.91	3.75
31 December 2019		711,717,587		

26. Share Premium Account

	31 December 2019		31 December 2018	
	Group US $	Company US $	Group US $	Company US $
1 January 2019	**58,329,880**	**58,329,880**	39,888,089	39,888,089
Premium arising on issue of equity shares	**6,924,246**	**6,924,246**	19,890,017	19,890,017
Warrants lapsed or exercised	**–**	**–**	10,018	10,018
Transaction costs	**(436,464)**	**(436,464)**	(1,458,244)	(1,458,244)
31 December 2019	**64,817,662**	**64,817,662**	58,329,880	58,329,880

(A) Share Options

The Group has a share option scheme established to reward and incentivise the executive management team and staff for delivering share price growth. The share option scheme is administered by the remuneration committee. The expected life of the options is based on the maximum option period and is not necessarily indicative of exercise patterns.

Share options are valued using the stochastic Black-Scholes model. The inputs to the model are the weighted average share price, the expected average exercise price, expected life, the risk free rate of return and the expected volatility. A 10-year gilt rate is used as an equivalent to risk free rate and the expected volatility was determined with reference to the Company's share price.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The cost of options is amortised to the statement of comprehensive income over the service period of the option.

Details of the tranches of share options outstanding at the year end are as follows:

Share Options	Number 31/12/2019	WAEP* (¢) 31/12/2019	Number 31/12/2018	WAEP* (¢) 31/12/2018
Outstanding as at 1 January	**54,882,803**	**7**	75,123,144	11
Granted during the year	**57,085,270**	**5**	11,872,802	16
Expired during the year	**–**	**–**	(113,143)	89
Forfeited during the period	**(9,750,000)**	**19**	(30,250,000)	5
Exercised during the year	**–**	**–**	(1,750,000)	2
Options outstanding as at 31 December	**102,218,073**	**5**	54,882,803	7
Exercisable at 31 December	**10,000**	**100**	10,000	96

*Weighted Average Exercise Price

26. Share Premium Account (continued)

The weighted average outstanding life of vested share options is 5.2 years. The weighted average price for outstanding options ranges between 2.2¢ and 98¢ (1.6p and 75.0p). The outstanding share options are not subject to any share performance-related vesting conditions, but vesting is conditional upon continuity of service.

The Group recognises total expenses of US $361,409 (2018: US $745,702) related to equity-settled, are share-based payment transactions during the year.

A deferred taxation asset has not been recognised in relation to the charge for share-based payments due to the availability of tax losses to be carried forward.

(B) Warrants Over Ordinary Shares

The Company issued warrants over ordinary shares to subscribers of new ordinary shares and as fundraising commission in respect of debt fundraisings completed during the year to 31 December 2019.

Details of the tranches of warrants outstanding at the year-end are as follows:

Warrants	Number 2019	WAEP* (¢) 2019	Number 2018	WAEP* (¢) 2018
Outstanding as at 1 January	**281,751,093**	**16**	286,223,645	16.2
Granted during the year	**74,200,000**	**4**	–	–
Forfeited during the period	**–**	**–**	(400,000)	29.1
Exercised during the year	**–**	**–**	(4,072,552)	6.0
Outstanding as at 31 December	**355,951,093**	**14**	281,751,093	16.0

*Weighted Average Exercise Price

Warrant values are calculated using the Black-Scholes option pricing model within the same inputs variables as discussed for share options.

The weighted average price for outstanding warrants as at 31 December 2019 ranges between 4¢ and 21.5¢ (3.0p and 16.2p). The residual weighted average contractual life for the warrants is 2.35 years.

27. Loans Due in Over One Year

	31 December 2019 US $	31 December 2018 US $
Five-year secured bonds	**(16,388,586)**	(14,757,291)
Additional net funding	**(4,215,716)**	–
Other loans	**–**	(1,157,089)
Total	**(20,604,302)**	(15,914,380)

	Balance as at 31 December 2018 US $	Incremental loans US $	Amortised finance charges less cash interest paid US $	Exchange adjustments US $	31 December 2019 US $
€20 million five-year secured bonds	16,226,751	–	1,484,123	(314,355)	**17,396,519**
€5 million Lombard Odier secured convertible debt facility	–	4,451,607	56,773	74,909	**4,583,289**
Loan fees	(1,469,460)	–	443,113	18,414	**(1,007,933)**
Incremental loan fees	–	(388,852)	21,171	108	**(367,573)**
Total	14,757,291	4,062,755	2,005,180	(220,924)	**20,604,302**

27. Loans Due in Over One Year (continued)

Short Term Loans (see also Note 23):

	Balance as at 31 December 2018 US $	Amortised finance charges less cash interest paid US $	Exchange adjustments US $	31 December 2019 US $
Other loans	1,157,090	84,881	48,992	**1,290,963**
Total	1,157,090	84,881	48,992	**1,290,963**

On 22 May 2017 the Company announced that Nusakan plc ("Nusakan") subscribed for five-year non-amortising secured bonds with an aggregate issue value of €20 million ("the €20m Bonds"). Alongside the €20m Bonds, the Company issued 169,402,469 warrants to subscribe for new ordinary shares in the Company at an exercise price of 15.1875 pence per ordinary share and an exercise period of approximately five years, concurrent with the terms of the bonds to Nusakan ("the Warrants"). The €20m Bonds are secured over the share capital of Echo Energy Limited. The €20m Bonds have an 8% coupon and were issued at a 20% discount to par value. A total cash fee of GBP £1.7 million (€2 million) was payable by the Company.

The Warrants were recorded within equity at fair value on the date of issuance and the proceeds of the notes net of issue costs were recorded as non-current liability. The coupon rate for the €20m Bonds ensures that the Company's on-going cash out-flow on interest payments remains low, conserving the Company's cash resources. The effective interest rate is approximately 21.55%. The five-year secured €20m Bonds are due in May 2022.

As part of the acquisition of the Santa Cruz Sur assets, the Company announced on 21 October 2019 that it had entered into a secured convertible debt facility with Lombard Odier Asset Management (Europe) Ltd ("Lombard Odier") for a five-year non-amortising €5.0 million 8.0% secured convertible debt facility (the "€5m Loan") maturing in 2022. Of the €5 million received, as described in Note 24, €0.97 million (US $1.1 million) has been allocated to the warrants which were issued alongside the €5m Loan and are recorded as a financial liability and held at fair value through the profit or loss.

Maturity Analysis

Post balance sheet, given prevailing global oil prices affected by market volatility and the Covid-19 pandemic, as part of a programme to cut capital expenditure, the Company entered into negotiations with all debt holders to defer cash interest payments in 2020. (See Note 33)

Post balance sheet the terms of all loans were renegotiated. (See Note 33).

Maturity Analysis

Contractual undiscounted cash flows:

	31 December 2019 US $	31 December 2018 US $
Amounts due within one year	**1,396,157**	1,985,960
Amounts due after more than one year	**33,291,406**	28,633,503
	34,687,563	30,619,463

28. Provisions

	31 December 2019 US $	31 December 2018 US $
At 1 January	**–**	–
Assessment of decommissioning provision	**2,940,000**	–
	2,940,000	–

Provision has been made for the discounted future cost of abandoning wells and restoring sites to a condition acceptable to the relevant authorities. No abandonments are planned for 2020. The provisions are based on the operators' internal estimate as at 31 December 2019. Assumptions are based on the current experience from decommissioning wells. The estimates are reviewed regularly to take account of any material changes to the assumptions. Actual decommissioning costs will ultimately depend upon future costs for decommissioning which will reflect market conditions and regulations at that time. Furthermore, the timing of decommissioning is uncertain and is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend on factors such as future oil and gas prices, which are inherently uncertain.

29. Right-of-use Liability

The Group's right-of-use asset comprises the lease of its London office (See Note 16).

These liabilities are included in the statement of financial position:

	31 December 2019 US $	31 December 2018 US $
Amounts due within one year	**64,180**	166,744
Amounts due after more than one year	**–**	50,709
	64,180	217,453

Amounts recognised in the statement of comprehensive income:

	31 December 2019 US $	31 December 2018 US $
Interest on leasehold liabilities	**17,402**	53,195

Amounts recognised in the statement of cash flows:

	31 December 2019 US $	31 December 2018 US $
Repayment of lease liabilities	**156,269**	161,356

During 2019 the office in Bolivia exited its leasehold premise resulting in the unwinding of the right-of-use liability. The London office lease ends in June 2020. Interest on the financing amount was imputed as that of bond financing at 20%.

Maturity Analysis

Contractual undiscounted cash flows:

	31 December 2019 US $	31 December 2018 US $
Amounts due within one year	**64,180**	169,686
Amounts due after more than one year	**–**	59,670
	64,180	229,356

Notes to the Financial Statements continued

30. Related Party Transactions

Inter-Group Balances

In order for individual subsidiary companies to carry out the objectives of the Group, amounts are loaned to them on an unsecured basis. At the year end the following amounts were outstanding:

	31 December 2019	31 December 2018
	US $	US $
Amounts owed to Echo Energy plc from:		
Echo Energy Bolivia (Op Co 1) Limited	**176,773**	593,794
Eco Energy CDL Op Limited	**2,816,915**	3,336,415
Eco Energy TA Op Limited	**9,029,398**	24,652
Independent Resources (Ksar Hadada) Limited	**–**	1,577,127
	12,023,086	5,531,988

Echo Energy plc had fully provided against an amount due from Independent Resources (Ksar Hadada) Limited, amounting to US $1,577,127 (2017: US $1,518,934), which was dissolved in June 2019. Echo Energy plc has also provided in total for amounts due from Eco Energy CDL Limited in the amount of US $ 15,386,854.

Lombard Odier and Nusakan (formerly Greenberry plc) are significant shareholder in the Company. Please refer to Note 27 for details of the debt transactions which relate to these counterparties.

Phoenix Global Resources plc from whom Echo acquired the SCS assets in late 2019 is also a significant shareholder in the Company.

31. Controlling Party

The directors do not consider there to be a controlling party.

32. Commitments

Echo has committed expenditure of US $0.664 million for 2020 relating to exploration acreage.

33. Subsequent Events

Change of Operating Partner in Santa Cruz Sur

On 1 January 2020, IOG Resources S.A. ("IOG Resources") and Interoil Argentina S.A. ("Interoil") completed a transaction with ROCH S.A., the previous operator of Santa Cruz Sur with a 30% interest, to acquire a 21.66% and an 8.34% interest respectively, in the Santa Cruz Sur assets. Following these transactions, the licence is operated by Selva Maria Oil and Gas S.A. ("Selva Maria"), whilst Interoil is a non-operating partner. Selva Maria is a subsidiary of Intergra Oil and Gas S.A., which guaranteed the obligations of IOG Resources and Interoil under the transaction. Selva Maria will remain operator until Interoil is granted an operator licence from the Argentinian authorities.

Results Campo La Mata Exploration Well

Following the completion of testing on the lower secondary target and the primary target at CLM x-1, the Company announced a non-commercial gas discovery on 19 February 2020. Both targets flowed at a combined averaged rate of 0.60 MMscf/d, short of the estimated required stabilised production rate across all intervals of approximately 1.0 MMscf/d. As a result, testing of the two remaining untested shallower intervals is now under consideration, but in the interim CLM x-1 has been shut-in for further evaluation and well head pressure will be measured during this time. Whilst the lack of commerciality from the tested intervals was disappointing, CLM x-1 proved the presence of a working petroleum system on the Chiripa Oeste 3D seismic in Tapi Aike. The information collected will be used to calibrate and further enhance the predictive capability of the 3D data acquired last year, helping identify other drilling locations on Tapi Aike that could be commercial. Following the gas discovery and CLM x-1 well results, it is anticipated that the partnership will qualify for an extra year on the first Tapi Aike exploration period. An extension will take the current exploration licence phase to four years expiring on 7 September 2021.

33. Subsequent Events (continued)

Oil Price Volatility

In response to the continuing volatility in the oil markets at the start of 2020 Echo put in place a number of initiatives after exploring all the options to preserve existing cash resources at a corporate level.

As a response to prevailing oil prices and the Company's expectation of achieving higher gas prices moving into the winter and autumn in the southern hemisphere, Echo and its partner in Santa Cruz Sur decided to focus field operations on the production of gas, and as part of this initiative, some producing wells have been temporarily shut-in. Shutting-in oil wells that have low associated gas will enable resources in the field to focus on gas production and will help manage cash costs. Temporarily shut-in oil wells can be brought back online in around five days when global oil prices recover.

The Company also announced on 15 April 2020 its decision to hold back barrels of oil currently held in field storage tanks with the intention of selling these barrels at a later date when prices may improve.

Substantial progress has been made with cost reduction initiatives in the Santa Cruz Sur assets as a response to prevailing commodity prices. In the first half of 2020, the Company and its partners expect to have reduced monthly operating cash outflows at Santa Cruz Sur by 50% over 2019 levels through substantial cost reductions of ongoing operations and deferments, or cancelations of non-essential activities whilst maintaining safe and sustainable operations. Additionally, at a corporate level, in order to preserve cash, deferrals and cost reductions are being rigorously pursued.

Covid-19 Pandemic

The Covid-19 pandemic has also added to uncertainty, not only in the short term with an unprecedented global fall in demand, but also in the way we are able to conduct our operations both at a corporate level and in the field. As with any oil company, safety is Echo's foremost priority. Echo moved quickly at the start of March 2020 to make sure all its staff and Board members based in the UK and Bolivia could work from home, so that they were already doing so or capable of doing so when the lockdown came to effect in the UK on 23 March 2020. In the field, operations continue as the production of hydrocarbons and supply to the domestic market is deemed to be an essential service.

Due to the international travel restrictions as a result of the Covid-19 pandemic, key personnel and equipment required to continue testing of the Campo Limite exploration well from outside Argentina were delayed. As a result, the decision was made to temporarily suspend the completion and conventional inflow testing of the well until there is clarity as to when the restrictions will be lifted. The Company will resume the exploration well test when conditions allow, and this project remains a priority for 2020. Additionally, as a result of the decision to temporarily suspend the completion and testing of CLix-1001, the Eagle workover rig, owned by Echo and its partners in the Santa Cruz Sur assets, was temporarily redeployed to commence a standard programme of well interventions and maintenance.

Echo's already stated aim to cut costs across the Santa Cruz Sur assets and on a corporate level, partly due to the prevailing volatility in the oil markets, coupled with the renegotiation of the debt (detailed below) are further initiatives that will help the Company better navigate the current global conditions brought on by the pandemic. Through the rapidly changing global situation following the outbreak of the Covid-19 pandemic, the Company reacted quickly, adapted, and redeployed to better weather this period of global crisis.

Debt Renegotiation

In March 2020, to ensure the business is robustly positioned in the event of continued downward pressure on oil demand and prices driven by recent global events, and as part of its programme to conserve cash, the Company announced that it would enter negotiations with holders of its debt to extend the loans or defer all cash interest during 2020.

On 6 March 2020, Echo announced that it had agreed a two-year extension of the Company's existing £1.0 million Loan (the "£1m Loan") originally provided to the Company in March 2017 and now held by Spartan Class O, a sub fund of Spartan Fund Limited SAC ("Spartan"). The interest rate of the £1m Loan remains unchanged.

33. Subsequent Events (continued)

Debt Renegotiation (continued)

The Company agreed that the extended £1m Loan will now be repayable as follows: (a) £100,000 on 30 November 2020; (b) four quarterly instalments of £50,000 on the last business day of the relevant month commencing in March 2021; and (c) the balance of £700,000 on 8 March 2022. In connection with the extension of the £1m Loan, Spartan was issued with 3,571,428 warrants to subscribe for new ordinary shares in the Company at a price of 1.4 pence per new share and with an expiry date of 9 March 2022.

On 1 April the Company further announced entry of an amendment to the Company's £1m Loan facility such that interest payment due 31 March 2020 was postponed and no interest payments were required prior to 31 March 2021. With effect from 1 January 2020, interest on the £1m Loan will now accrue at an unchanged annual interest rate of 12.0% and, at the end of each quarterly interest period, be added to the aggregate principal amount owing under the £1m Loan, for payment on maturity. The Company agreed that, as amended, the £1m Loan will now be repayable as follows: (a) £100,000 in March 2021; (b) three quarterly instalments of £50,000 on the last business day of the relevant month commencing in June 2021; and (c) the balance of £750,000, together with accrued interest, on 8 March 2022. The other terms of the £1m Loan remain unchanged.

In order to provide parties with the time to conclude an amendment to the €5m Loan, the holder Lombard Odier waived default rights under the €5m Loan for non-payment of the 31 March 2020 interest. The Company duly announced on 14 May 2020 the agreement with Lombard Odier to defer 2020 interest payments such that no interest payments will be due prior to 31 March 2021.

On 22 May 2020, the Company announced that at a meeting of the holders of the €20m Bond (the "Noteholders"), the Noteholders gave their consent to waive the event of default in relation to the non-payment by the Company of the quarterly interest due on 31 March 2020. Furthermore, the Company obtained consent to defer quarterly interest payments which would otherwise be due on 31 March 2020, 30 June 2020, 30 September 2020 and 31 December 2020 (the "2020 Interest Payments") such that the 2020 Interest Payments will be payable by the Company on maturity of the bonds in May 2022. The Company will continue to be required to make quarterly interest payments on the €20m Bond in 2021 and 2022. In addition, the Company granted security in the form of a share charge over 100% of the shares in Echo Argentina Holdings Limited. Such security will be shared pari passu between the Noteholders and Lombard Odier in its capacity as lender under the Company's €5m Loan.

Shareholder Information

AIM Rule 26 Information

Dealing Information

Country of incorporation
England & Wales (Registered Number 5483127)

Main country of operation

Argentina

Trading information

Shares in Echo Energy plc are only traded on AIM, a market operated by the London Stock Exchange plc, and the Company has not applied or agreed to have any of its securities admitted or traded to any other exchange or platform.

There are no restrictions on the transfer of ordinary shares.

Address

Echo Energy plc
85 Great Portland Street
First Floor
London
W1W 7LT

Nominated Adviser

Cenkos Securities PLC
6-8 Token Yard
London
EC2R 7AS

Company Secretary

Amba Secretaries Limited
400 Thames Valley Park Drive
Reading, Berkshire
RG6 1PT

Brokers

Shore Capital
Bond Street House
14 Clifford Street
London
W1S 4JU

Solicitors

Fieldfisher
Riverbank House
2 Swan Lane
London
W1S 4JU

Auditors

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Registrars

Link Asset Services
34 Beckenham Road
Kent
BR3 4TU

Glossary

AAPG	American Association of Petroleum Geologists
AIM	Alternative Investment Market
API	American Petroleum Institute
AVO	amplitude versus offset
bbl(s)	barrel(s)
bbl(s)/d	barrel(s) per day
Bcf	billion cubic feet
Board	the board of directors of Echo Energy plc
boe	barrel(s) of oil equivalent
boepd	barrel(s) of oil equivalent per day
bopd	barrels(s) of oil per day
capex	capital expenditure
CDL	Fracción C, Fracción D, and Laguna De Los Capones licences
CGC	Compañia General de Combustibles S.A.
CGU	Cash Generating Unit
Company	Echo Energy plc
E&E	exploration and evaluation
E&P	exploration and production
FRC	Financial Reporting Council
G&A	general and administration expenses
Group	the Company and its subsidiaries
HSE	health, safety and environment
IAPG	International Association of Petroleum Geologists
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards as adopted by the European Union
ISAs (UK)	International Standards on Auditing
JEA	joint evaluation agreement
JV	joint venture
KPI	key performance indicators
LNG	liquid natural gas
MMbbls	million barrels
MMboe	million barrels of oil equivalent
mmbtu	million British thermal units
MMscf/d	million standard cubic feet per day
NAV	net asset value
NOMAD	nominated advisor
OPEC+	OPEC countries and high exporting non-members like Russia and Kazakhstan
opex	operations expenditure
PETSA	Petrolera El Trebol S.A.
Pmean	mean case
ppm	parts per million
PPE	property, plant and equipment
PRSM	Petroleum Resource Management System
pulling job	low cost well intervention to restart/improve production
P10	high case (value with a 10% chance of being equalled or exceeded)
P50	moderate case (value with a 50% chance of being equalled or exceeded)
P90	low case (value with a 90% chance of being equalled or exceeded)
QCA Code	Quoted Companies Alliance Corporate Governance Code
spud	to commence drilling a well
Tcf	trillion cubic feet
TD	total depth
TVD	true vertical depth
TEA	technical evaluation agreement
UGA	UGA Seismic S.A.
WAEP	Weighted Average Exercise Price
Workover	an invasive well intervention involving a rig
WPC	World Petroleum Council
WTI	West Texas Intermediary
1C	low estimate of contingent resources
2C	best estimate of contingent resources
3C	high estimate of contingent resources
2P	proven plus probable
$ / US $	United States Dollar

echo
ENERGY

Registered office
85 Great Portland Street
First Floor
London, W1W 7LT

Tel: +44 (0)20 7190-9930

info@echoenergyplc.com
www.echoenergyplc.com