

29 September 2020

**Echo Energy plc
("Echo" or "the Company")**

Santa Cruz Sur : Monte Aymond Gas Project

Echo Energy, the Latin American focused upstream energy company, is pleased to announce the completion of an initial assessment by the Company of the Monte Aymond gas project in Santa Cruz Sur, Argentina.

The Monte Aymond project, located 5.2 km to the west of Campo Limite on the Company's existing Palermo Aike licence at Santa Cruz Sur, involves working over the Monte Aymond well which was drilled successfully in 1984, targeting a Springhill reservoir structure imaged on 3D seismic. The well successfully discovered and tested gas and condensate at an initial flowrate of 2.4 MMscf/d, and subsequently at an average rate of 5 MMscf/d over a longer 10 month period of production. Whilst this well was previously abandoned, the Company believes that the now improved local infrastructure and prevailing gas prices mean Monte Aymond is now an exciting commercial project.

In 2019, a conceptual study was undertaken by the then Santa Cruz Sur Joint Venture partners around the export of Monte Aymond gas with a proposed 2.6 km flow line and associated infrastructure to processing facilities across the border in Chile at a gross cost of US\$570,000 and with an economic payback period of 3 months. This assumed a realised sales price of US\$42/bbl of oil and a gas price of US\$3.5/mmbtu.

Building upon this historical work, Echo has also commenced a feasibility study to explore the option for micro-LNG (compression and liquefaction of natural gas) at Monte Aymond which would increase the Company's ability to sell gas directly to clients in remote areas via truck transportation (a virtual pipeline) with the potential to achieve materially higher sales prices.

As an alternative to the micro-LNG option, the Company is considering the development of Monte Aymond via both the aggregation of the volumes of Campo Limite, and Monte Aymond via a hub development approach to potentially lower development costs and increase the returns from both projects and also a standalone development.

The Company also confirms that testing of the previously drilled CLix-1001 well at Campo Limite will be scheduled once ongoing COVID-19 travel restrictions in Argentina, including the country's borders remaining closed to non residents, have been lifted and that the testing of the CLix-1001 well, and operations related to the identified portfolio of proposed workovers and interventions at Santa Cruz Sur announced by the Company on 8 June 2020, remain operational priorities for the Company.

Martin Hull, CEO of Echo Energy, commented:

"The Monte Aymond project on the Palermo Aike licence, located close to Campo Limite and the Chilean border, is of great interest given its promising historical data and potential micro-LNG development plan which would involve minimum capital investment. It has limited technical risk, having already been tested and can potentially be exploited with an innovative, and low capital, route to market.

In addition to Monte Aymond, we look forward to the approaching well test at Campo Limite and to advancing the previously announced initial portfolio of workover operations at Santa Cruz Sur. Success at Campo Limite has the potential to materially de-risk other projects in the Campo Limite area. This may include follow-on exploration wells on other structures, appraisal and development wells, or bringing existing discoveries on stream as part of a larger gas commercialisation strategy for the Palermo Aike licence.

Echo Energy is once again entering a phase of enhanced activity as we progress various workstreams to deliver maximum value from our existing portfolio with a balanced risk-reward ethos, ensuring prudent financial management while also keeping our options open to further opportunities in the region."

Echo Energy

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