30 September 2020

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

Interim Results

Echo Energy, the Latin American focused upstream energy company, announces its unaudited interim results for the six months ended 30 June 2020.

H1 2020 Highlights

- Successful integration of the Santa Cruz Sur assets acquired in November 2019
- Revenue increased to US$5.6 million (H1 2019: US$2.7 million)
- Total net aggregate H1 2020 production of 390,844 boe (including 65,203 bbls of oil and condensate and 1,954 MMscf gas)
- Unaudited cash balances as at 30 June 2020 of US$1.2 million
- Completion of first Tapi Aike drill, Campo La Mata x-1 well
- Initial workover success in the Chorrillos block at Santa Cruz Sur
- Identification of an intensive and low cost workover plan at Santa Cruz Sur
- Successful debt restructuring
- Substantial reductions to operational and administration costs

Post Period End Highlights

- Monte Aymond in the Palermo Aike licence matured to commercial project status
- Successful restructuring of Tapi Aike interest in July 2020 line with the Company's focus within its portfolio on cash generative production and on reducing costs
- Completion of equity placing to raise net proceeds of approximately US$0.6 million to strengthen the Company's cash position
- Ongoing focus on disciplined cost and cash management

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Certain of the information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Chairman and Chief Executive Officer's Statement

The first six months of 2020 have seen significant challenges for companies globally, let alone in the sector, and Echo Energy plc ("Echo" or "the Company") has adapted swiftly and proactively to protect its workforce, restructure debt, reduce costs, conserve cashflow, and adapt its portfolio with a focus on profitable growth. These important actions have secured the business through recent challenges and strengthened the Company's position as it looks to the future.

Covid-19 impact on exploration and production

The virus outbreak has caused major disruption to many industries and has also resulted in an unprecedented period of volatility in global energy commodity markets. The Company continues to monitor and proactively adapt to the situation, maintaining a strategy to mitigate issues arising from the Covid-19 pandemic, including its impact on our staff, contractors and the communities in which we operate.

Echo adapted swiftly to changed working requirements, through the implementation of remote-working. The supply of energy in Argentina is an essential service, particularly as the southern tip of Latin America entered its autumn and winter months, and the team have worked hard with our operating partners to overcome the challenges and continue to deliver critical gas supplies to customers whilst ensuring all employees are operating safely and efficiently in the field. By doing so, Echo has continued to enjoy the support of its customers, contractors, local authorities and the communities in which it operates.

At the beginning of the Covid-19 pandemic the Argentine government imposed a series of major restrictions including international travel bans and the curtailment of the movement of personnel and materials between regions. A number of these restrictions remain in force. As a result of these restrictions, Echo and its partners took the necessary and prudent step to temporarily suspend testing of the successfully drilled Campo Limite exploration well ("CLix-1001"). The technical view of the well remains unchanged and the completion and conventional inflow testing of the well site continues to be a commercial priority. As a result of the change in schedule, Echo and its partners successfully utlised the opportunity early in the period, redeploying the Eagle workover rig on a programme of well interventions and maintenance.

Oil price volatility and preserving cash resources

In response to the continuing volatility in the oil markets, Echo put in place a number of initiatives to preserve existing cash resources and refocus on cash generation. With prevailing oil prices and Echo's expectation of higher gas demand moving into autumn and winter in the southern hemisphere, Echo decided to focus field operations on the production of gas, and as part of this initiative, a significant number of oil producing wells were temporarily shut-in, enabling resources in the field to focus on cash generative gas production. Since the period end, and as a result of improving market conditions, the Company has successfully brought five of these oil producing wells back online.

Substantial progress has been made with cost reduction initiatives in the Santa Cruz Sur assets. Echo reduced monthly operating cash outflows at Santa Cruz Sur, whilst maintaining safe and sustainable operations. At a corporate level, cost reductions were also rigorously pursued in order to preserve cash. The most successful cost reduction was apparent at parent company level, with administrative expenses during the period reduced by US$1.2 million to US$1.3m, a 48% reduction when compared to the H1 2019 expense of US $2.5 million.

During March 2020 Echo undertook a process of restructuring all its debts. This restructuring was successfully completed in May 2020, when holders of the Company's publicly listed bonds voted unanimously in favour of the restructuring of those securities. As a result, cash interest payments on all the Company's existing debts have been deferred until March 2021, thereby ensuring the business is robustly positioned in the event of continued pressure on oil demand driven by the recent global events.

Argentina

Santa Cruz Sur

Echo successfully completed the acquisition of a 70% interest in the five block Santa Cruz Sur ("SCS") concessions in November 2019. This marked a return to a balanced, revenue-generating portfolio with significant upside and near-term drilling opportunities. H1 2020 saw the integration of these assets in the portfolio.

The first exploration well on the Palermo Aike concession, Campo Limite ("CLix-1001") was drilled to a total measured depth of 2,247 metres and wireline logging was completed in January 2020. The targeted Springhill Formation was encountered at 2,124 metres. Initial analyses of the wire log data were completed and highlighted a zone of interest comprised of fine grained sandstones. This unit also coincided with elevated gas shows of 193,000 parts per million ("ppm") against a background of 20,000 ppm.

The presence of elevated gas shows in the target section combined with encouraging wireline log data, led to a decision by Echo and the operator, Selva Maria Oil and Gas S.A. ("Selva Maria") to move to the next stage of operations to complete and test the well. Though the well was completed by the Petreven H-205 rig, testing was interrupted by the strict federal restrictions imposed as a result of the Covid-19 pandemic.

Testing of the well remains a commercial and operational priority for Echo, once current pandemic restrictions are eased. The well forms part of a larger gas commercialisation strategy for the Palermo Aike licence, which is focused on bringing existing gas discoveries online either through a hub development or on a standalone basis.

As part of the portfolio of growth activities, the Monte Aymond gas project at Santa Cruz Sur has been matured to commercial project status since the period end and builds on work undertaken last year. This project is located 5.2 km to the west of Campo Limite well, with the Monte Aymond well successfully drilled in 1984, and testing gas and condensate at an initial flowrate of 2.4 MMscf/d, which increased to 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 a commercial project either as a micro LNG option or via a hub development approach.

In June 2020, the Company announced it had identified an initial portfolio of sixteen low cost workover and intervention operations across Santa Cruz Sur focused on 1P proven developed non producing ("PDNP") and 2P reserve intervals with the intention of bringing those volumes into production and, therefore, migrating the associated volumes to proven developed producing ("PDP") reserves. These opportunities are part of a wider portfolio of relatively low cost workover and interventions, which represent potential increases to production and reserves, which continue to be evaluated by the Santa Cruz Sur partners with a view to commencing work in H2 2020, conditions permitting. An initial successful well intervention in the Chorrillos block provided confidence in this opportunity set to increase production in a cost effective way and the initial portfolio of workover and intervention operations remain future operational priorities for the Company.

At the end of the period, the Company secured a six month extension to existing gas contracts at a significant premium to the gas spot price, which reaffirms the support and confidence of key customers towards the Company.

Tapi Aike

The first exploration well at Tapi Aike, Campo La Mata x-1 ("CLM x-1") was spud in Q4 2019 and reached a total measured depth of 2,513 metres. On the basis of encouraging initial data from drilling and logging operations, a decision was made with the operator at that time, Compañia General de Combustibles S.A. ("CGC") to move to complete and test the well. Following completion on the lower secondary target ("D3" or "Anita") and primary target ("Magallanes 20" or "Lobe C") in February 2020, Echo announced a non-commercial gas discovery. Following clean out operations, the lower secondary Anita target flowed gas to surface at an estimated average rate of 0.35 MMscf/d while the primary Lobe C target flowed gas to surface at an estimated average rate of 0.25

MMscf/d. To achieve the threshold of commerciality, it was 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 Lobe C targets. Testing further intervals was not ruled out and in the interim period the CLM x-1 well was shut in for evaluation and with well head pressure measured during this time.

Whilst CLM x-1 was deemed a non-commercial discovery, we were encouraged by the acquired data which proved the presence of a working petroleum system on the Chiripa Oeste 3D seismic in Tapi Aike. The data and the information collected to date from the CLM x-1 well will be used to calibrate and further enhance the predictive capability of the 3D data acquired last year to identify other drilling locations that could be commercial.

Bolivia

The Huayco and Rio Salado blocks in Bolivia, where Echo has joint evaluation and technical agreements with Pluspetrol Bolivia Corporation SA ("Pluspetrol") and Yacimientos Petrolíferos Fiscales Bolivianos ("YPFB") respectively are deemed as non-core to the current strategy following the completion of the geological and structural model and presentation of the report. However, management continued to evaluate the best route to maximise value from its Bolivian position.

Financial

Echo continues to make selective and highly targeted investments to build our production and development base whilst maintaining our strategic focus. The Company has put in place cost saving measures without sacrificing its operational capability.

The Group posted a loss after tax for the period of US$5.7 million for the six-month period ended 30 June 2020, compared to a loss of US$7.7 million for the comparable period in 2019, demonstrating the benefits of a successful cost savings drive for the period ended 30 June 2020.

During the first half of 2020, total revenue achieved was US$5.6 million of which US$3.5 million related to gas sales and US$2.1 million related to oil sales. This compares to revenue of US$2.7 million in the 2019 interim period, and US$5.4 million in the year to 31 December 2019 (when considering both continued and discontinued operations revenue). Oil prices realised averaged US$34.7/bbl versus US$52/bbl for H1 2019, reflecting the dramatic drop in oil prices in March 2020 which resulted in the management's decision to temporarily shut-in mainly oil producing wells to concentrate on gas production. Monthly volume weighted average gas prices for the period to 30 June 2020 ranged from US$2.10-US$2.77/mmbtu.

H1 2020 finance expense is composed of interest payable, amortisation of debt fees, effects of unwinding of the discount on the debt, and foreign exchange losses bringing finance fees to a total of US$3.2 million. The derivative financial income figure of US$0.64 million represents movement in the embedded derivative fair value, associated with the long term €5 million debt facility (the "€5m Loan") held by Lombard Odier Asset Management (Europe) Limited ("Lombard Odier").

The Company's cash balance at 30 June 2020 was US$1.2 million.

In March 2020 the Company entered into negotiations with all holders of its debts to extend the loans or defer all cash interest during 2020. By 22 May 2020, all negotiations were successfully completed delaying all debt payments to March 2021. The Company agreed a two-year extension to its £1 million loan (the "£1m Loan"), held by Spartan Fund Limited, whereby the interest rate remained unchanged and further agreed that interest payments at the annual rate of 12.0% accrued and, at the end of each quarterly interest period until March 2021, be added to the aggregate principal amount, for payment on maturity on 8 March 2022.

On 14 May 2020 Echo announced concluded negotiations to amend its €5million Loan to defer 2020 interest payments such that no interest will be due prior to 31 March 2021. On 22 May 2020, the Company further announced that the holders of the €20 million five-year secured bonds (the "€20m Bond") gave their consent, with votes cast unanimously, to defer quarterly interest payments which would otherwise be due in 2020, such that 2020 interest payments will be payable on maturity of the bonds in May 2022. The Company will continue to be required to make quarterly payments for the €20m Bond in 2021 and 2022. In addition, the Company granted security in the form of a charge over 100% of the shares in Echo Argentina Holdings Limited. Such security will be shared pari passu between the holders of the €20m Bond and Lombard Odier in its capacity as lender under of the Company's €5m Loan.

The movement between 31 December 2019 and 30 June 2020 long term loan balances (US$3.6 million) reflects the net effect of unwinding of the discount effect in accordance with the loan terms, and interest payable.

Corporate & Post Balance Sheet Events

In line with the Company's growth strategy, Echo continues to evaluate acquisition opportunities against its rigorous requirements with the aim of delivering transformational value.

Echo entered into negotiations with CGC to reposition the Company's 19% participating interest in Tapi Aike. Post period, in July 2020, an agreement was reached relieving Echo of all licence funding requirements, including on going pre-drill work and remaining licence commitments (including well costs, abandonment fees and decommissioning liabilities). A withdrawal from Tapi Aike with an effective date of 1 July 2020 was agreed, with the grant of an option allowing Echo to re-enter a 19% participating interest in the western cube ahead of the next well spud. This solution provides access to exploration upside while allowing Echo to sharpen its strategic focus, preserve cashflow and concentrate its immediate resources on production and substantial development and exploration opportunities at Santa Cruz Sur.

Echo continues to carefully monitor events as operations cautiously return to a pre-pandemic footing. During these challenging times, however, against the oil market turmoil and the Covid-19 pandemic Echo has reacted quickly, adapted, and redeployed its resources to navigate the current global crisis. With our dedicated team and the support of our partners and investors, we are well placed to weather this storm and continue to implement our growth strategy for the benefit of all stakeholders.

James Parsons
Chairman (Non Executive)

Martin Hull
Chief Executive Officer

Consolidated Statement of Comprehensive Income

Period ended 30 June 2020

	Notes	**Unaudited 1 January 2020 - 30 June 2020 US $**	Unaudited 1 January 2019 - 30 June 2019 US $	Year to 31 December 2019 Audited US $
Continuing operations				
Revenue	3,7	**5,656,740**	2,742,695	2,586,069
Cost of sales	4	**(7,287,234)**	(3,352,575)	(3,127,542)
Gross profit		**(1,630,494)**	(609,880)	(541,473)
Exploration expenses		**(68,554)**	(313,882)	(647,546)
Administrative expenses		**(1,480,136)**	(1,944,288)	(3,797,861)
Impairment of intangible assets		**-**	(2,793,699)	-
Impairment of property, plant and equipment		**-**	-	-
Operating loss		**(3,179,184)**	(5,661,749)	(4,986,880)
Financial income		**1,847**	79,276	92,445
Financial expense	5	**(3,212,440)**	(2,289,686)	(5,475,616)
Derivative financial income	6	**642,678**	-	339,219
Loss before tax		**(5,747,099)**	(7,872,159)	(10,030,832)
Taxation	8	**-**	-	-
Loss from continuing operations		**(5,747,099)**	(7,872,159)	(10,030,832)
Discontinued operations				
Profit/(loss) after taxation for the year from discontinued operations	7		-	(3,441,230)
Loss for the period		**(5,747,099)**	(7,872,159)	(13,472,062)
Other comprehensive income:				
To be reclassified to profit or loss in subsequent periods (net of tax)				
Exchange difference on translating foreign operations		**-**	183,598	182,478
Total comprehensive loss for the period		**(5,747,099)**	(7,688,561)	(13,289,584)
Loss attributable to: Owners of the parent		**(5,747,099)**	(7,872,159)	(13,472,062)
Total comprehensive loss attributable to: Owners of the parent		**(5,747,099)**	(7,688,561)	(13,289,584)
Loss per share (cents)	9			
Basic		**(0.81)**	(1.65)	(2.61)
Diluted		**(0.81)**	(1.65)	(2.61)
Loss per share (cents) for continuing operations				
Basic		**(0.81)**	(1.65)	(1.94)
Diluted		**(0.81)**	(1.65)	(1.94)

The notes included below form an integral part of these financial statements.

Consolidated Statement of Financial Position

Period ended 30 June 2020

	Notes	**Unaudited 1 January 2020 - 30 June 2020 US $**	Unaudited 1 January 2019 - 30 June 2019 US $	Year to 31 December 2019 Audited US $
Non-current assets				
Property, plant and equipment	10	**986,283**	219,076	1,101,210
Other intangibles	11	**20,725,894**	10,044,780	20,573,586
		21,712,177	10,263,856	21,674,796
Current Assets				
Inventories		**610,522**	-	420,844
Other receivables		**7,688,813**	4,000,488	8,677,279
Cash and cash equivalents	12	**1,164,408**	4,125,313	1,698,012
		9,463,743	8,125,801	10,796,135
Current Liabilities				
Trade and other payables		**(8,253,260)**	(3,414,594)	(7,022,255)
Derivatives and other liabilities		**(86,105)**	-	(728,783)
		(8,339,365)	(3,414,594)	(7,751,038)
Net current assets		**1,124,378**	4,711,207	3,045,097
Total assets less current liabilities		**22,836,555**	14,975,063	24,719,893
Non-current liabilities				
Loans due in over one year	15	**(24,229,005)**	(15,575,196)	(20,604,302)
Provisions		**(2,969,400)**	-	(2,940,000)
Right-of-use liability		**-**	(31,651)	-
		(27,198,405)	(15,606,847)	(23,544,302)

Total Liabilities		**(35,537,770)**	(19,021,441)	(31,295,340)
Net Assets		**(4,361,850)**	(631,784)	1,175,591
Equity attributable to equity holders of the parent				
Share capital	13	**5,190,877**	4,444,999	5,190,877
Share premium	14	**64,817,662**	58,329,880	64,817,662
Warrant reserve		**11,153,396**	11,142,290	11,142,290
Share option reserve		**1,358,132**	1,001,637	1,159,580
Foreign currency translation reserve		**(2,277,812)**	(2,278,932)	(2,277,812)
Retained earnings		**(84,604,105)**	(73,271,658)	(78,857,006)
Total Equity		**(4,361,850)**	(631,784)	1,175,591

The notes included below form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Period ended 30 June 2020

	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 2020	**(78,857,006)**	**5,190,877**	**64,817,662**	**11,142,290**	**1,159,580**	**(2,277,812)**	**1,175,591**
Loss for the period	**(5,747,099)**	**-**	**-**	**-**	**-**	**-**	**(5,747,099)**
Exchange Reserve	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**(84,604,105)**	**5,190,877**	**64,817,662**	**11,142,290**	**1,159,580**	**(2,277,812)**	**(4,571,508)**
Warrants issued	**-**	**-**	**-**	**11,106**	**-**	**-**	**11,106**
Share options lapsed	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**-**	**-**	**198,552**	**-**	**198,552**
30 June 2020	**(84,604,105)**	**5,190,877**	**64,817,662**	**11,153,396**	**1,358,132**	**(2,277,812)**	**(4,361,850)**
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 period	(7,872,159)	-	-	-	-	-	(7,872,159)
Exchange Reserve	183,598	-	-	-	-	(183,598)	-
Total comprehensive loss for the period	(7,688,561)	-	-	-	-	(183,598)	(7,872,159)
Share options lapsed	381,260	-	-	-	(381,260)	-	-
Share-based payments	-	-	-	-	187,791	-	187,791
30 June 2019	(73,271,658)	4,444,999	58,329,880	11,142,290	1,001,637	(2,278,932)	(631,784)
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)	-	-	-	-	-	(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 included below form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Period ended 30 June 2020

	Unaudited 1 January 2020- 30 June 2020 US $	Unaudited 1 January 2019- 30 June 2019 US $	Year to 31 December 2019 US $
Cash flows from operating activities			
Loss from continuing operations	**(5,747,099)**	(7,872,159)	(10,030,832)
Loss from discontinued operations	**-**	-	(3,441,230)
	(5,747,099)	(7,872,159)	(13,472,062)

Adjustments for:			
Depreciation and depletion of property, plant and equipment	**102,442**	-	190,383
Depreciation and depletion of intangible assets	**982,102**	102,819	369,874
(Gain)/Loss on disposal of property, plant and equipment	**-**	2,653	22,040
(Gain)/Loss on disposal on Right of use	**(66,473)**	-	-
Impairment of intangible assets and goodwill	-	2,793,699	2,802,239
Impairment of property, plant and equipment	-	-	-
Share-based payments	**209,658**	187,791	361,409
Financial income	**(1,845)**	(79,276)	(352,579)
Financial expense	**728,821**	2,309,393	5,738,338
Derivative financial gain	**(642,678)**	-	(339,219)
	1,312,027	(2,555,080)	8,792,485
(Increase) in inventory	**(191,382)**	802,184	381,341
Decrease/(Increase) in other receivables	**988,467**	2,892,456	(3,359,213)
(Decrease)/increase in trade and other payables	**3,354,669**	97,296	3,753,130
Cash used in operations	**5,463,781**	1,236,856	9,567,743
Net cash used in operating activities	**(283,318)**	1,236,856	(3,904,319)
Cash flows from investing activities			
Purchase of intangible assets	**(248,092)**	(11,278,548)	(19,245,768)
Purchase of property, plant and equipment	**-**	-	(979,164)
Net cash used in investing activities	**(248,092)**	(11,278,548)	(20,224,932)
Cash flows from financing activities			
Net proceeds from debt	**-**	-	5,434,727
Interest received	**1,845**	79,276	(388,852)
Interest paid	**(1,746)**	(1,442,428)	180,648
Repayment of right of use liability	**(2,293)**	(79,146)	(2,085,954)
Issue of share capital	**-**	-	7,670,124
Share issue costs	**-**	-	(436,464)
Net cash from financing activities	**(2,194)**	(1,442,298)	10,217,960
Net (decrease)/increase in cash and cash equivalents	**(533,604)**	(11,483,990)	(13,911,291)
Cash and cash equivalents at the beginning of the period	**1,698,012**	15,609,303	15,609,303
Cash and cash equivalents at the end of the period	**1,164,408**	4,125,313	1,698,012

The notes included below form an integral part of these financial statements.

Notes to the Financial Statements

Period ended 30 June 2020

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.

Basis of Preparation

The condensed and consolidated interim financial statements for the period from 1 January 2020 to 30 June 2020 have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting as adopted by the European Union and on the going concern basis. They are in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2019 and are expected to be applied for the year ended 31 December 2020.

The comparatives shown are for the period 1 January 2019 to 30 June 2019, and 31 December 2019 and do not constitute statutory accounts, as defined in section 435 of the Companies Act 2006, but are based on the statutory financial statements for the year ended 31 December 2019.

A copy of the Company's statutory accounts for the year ended 31 December 2019 has been delivered to the Registrar of Companies; the accounts are available to download from the Company website at www.echoenergyplc.com.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman and Chief Executive Officer's Statement above. The financial position of the Group, its cash flows and liquidity position are set out in these Condensed Interim Financial Statements.

The directors have performed a robust assessment, including consideration of the principal risks faced by the Group and taking into account the ongoing impact of the global Covid-19 pandemic on the macroeconomic situation and any potential impact to operations. In particular, the directors considered a number of sensitivities on key assumptions which included downside (reverse stress) sensitivities in relation to production rates, oil price, fixed operating costs and foreign exchange rates.

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. Whilst rigorously pursuing cost control and value maximising strategies, the Group recognises that in order to pursue organic and inorganic growth opportunities and fund on-going operations it will 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 Condensed Consolidated 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 Condensed Interim Consolidated Financial Statements.

Estimates

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to consolidated financial statements for the year ended 31 December 2019. 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 Group's going concern assessment.

Revenue Recognition

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. We have a contractual arrangement with our joint venture partner who 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 the national transportation system, control of the gas is transferred at the point at which the gas enters this network, this is the point at which gas revenue is 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. Echo receive a monthly average of gas prices attained. Oil shipments are priced in advance of a cargo and revenue is recognised at the point at which cargoes are loaded onto a shipping vessel at terminal.

2. 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 follows:

a. Parent Company
b. Eastern Austral Basin

c. Tapi Aike

d. Bolivia

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, although the reportable segments are reflected in legal entities, certain corporate 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.

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

	Parent Company US $	Santa Cruz Sur US $	Tapi Aike US $	Bolivia US $	Consolidation US $	Total US $
Period to 30 June 2020						
Revenues	**-**	**5,656,740**	**-**	**-**	**-**	**5,656,740**
Cost of sales	**-**	**(7,287,234)**	**-**	**-**	**-**	**(7,287,234)**
Exploration expense	**(68,554)**	**-**	**-**	**-**	**-**	**(68,554)**
Administration expense	**(1,300,419)**	**(120,701)**	**56,538**	**(115,554)**	**-**	**(1,480,136)**
Impairment of intangible assets	**-**	**-**	**-**	**-**	**-**	**-**
Impairment of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**
Financial income	**1,847**	**-**	**-**	**-**	**-**	**1,847**
Financial expense	**(2,340,434)**	**(872,069)**	**(1,015)**	**1,078**	**-**	**(3,212,440)**
Derivative Financial Expense	**642,678**	**-**	**-**	**-**	**-**	**642,678**
Depreciation	**-**	**-**	**-**	**-**	**-**	**-**
Income tax	**-**	**-**	**-**	**-**	**-**	**-**
Loss before tax	**(3,064,882)**	**(2,623,263)**	**55,523**	**(114,476)**	**-**	**(5,747,099)**
Non-current assets	**35,265,014**	**6,822,530**	**5,935,643**	**(278,171)**	**(26,032,839)**	**21,712,177**
Assets	**45,181,992**	**12,916,982**	**(656,675)**	**(240,370)**	**(26,026,010)**	**31,175,919**
Liabilities	**(23,079,545)**	**(12,406,577)**	**(2,314)**	**(49,335)**	**-**	**(35,537,770)**

Consolidation adjustments in respect of assets relate to the impairment of intercompany assets.
~Depreciation is included in administration expenses

	Parent Company US $	Eastern Austral Basin US $	Tapi Aike US $	Bolivia US $	Consolidation US $	Total US $
Period to 30 June 2019						
Revenues	-	2,742,695	-	-	-	2,742,695
Cost of sales	-	(3,352,575)	-	-	-	(3,352,575)
Exploration expense	(294,245)	-	-	(19,637)	-	(313,882)
Administration expense	(2,527,946)	(124,474)	(23,708)	(138,428)	870,268	(1,944,288)
Impairment of intangible assets	(81,382)	(2,712,317)	-	-	-	(2,793,699)
Impairment of property, plant and equipment	-	-	-	-	-	-
Financial income	38,687	40,589	-	-	-	79,276
Financial expense	(1,822,630)	(475,279)	10,756	(3,652)	1,119	(2,289,686)
~Depreciation	*(95,950)*	-	-	*(6,869)*	-	*(102,819)*
Income tax	-	-	-	-	-	-
Loss before tax	(4,687,516)	(3,881,361)	(12,952)	(161,717)	871,387	(7,872,159)
Non-current assets	17,341,730	(2,901,300)	571,649	(57,439)	(4,690,784)	10,263,856
Assets	20,087,840	(860,143)	3,877,043	(24,676)	(4,690,407)	18,389,657
Liabilities	(17,103,370)	(10,125)	(1,868,272)	(39,674)	-	(19,021,441)

Consolidation adjustments in respect of assets relate to the impairment of intercompany assets .
~Depreciation is included in administration expenses

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

	United Kingdom US $	South America US $	Total US $
30 June 2020			
Property, plant and equipment	**19,025**	**967,258**	**986,283**
Other intangible assets	**-**	**20,725,894**	**20,725,894**
30 June 2019			
Property, plant and equipment	217,436	1,640	219,076
Other intangible assets	-	10,044,780	10,044,780

3. Revenue

	Unaudited 1 January 2020 - 30 June 2020 US $	Unaudited 1 January 2019 - 30 June 2019 US $	Year to 31 December 2019 Audited - Continued operations US $
Oil revenue	**2,090,922**	2,139,574	1,395,356
Gas revenue	**3,565,818**	603,121	1,190,713
Total Revenue	**5,656,740**	2,742,695	2,586,069

Please note, the consolidated Income statement for the year to 31 December 2019, reports only on 'continued operations' revenue (US$2.5 million). Total revenue for the year to 31 December 2019 is US$5.4 million, when including revenue from both continuing and discontinued operations (please see note 7).

4. Cost of Sales

	Unaudited 1 January 2020 - 30 June 2020 US $	Unaudited 1 January 2018 - 30 June 2018 US $	Year to 31 December 2019 US $
Production costs	**5,723,033**	2,478,056	2,794,339
Selling and distribution costs	**764,918**	130,221	311,161
Movement in stock of crude oil	**(191,382)**	744,298	(351,170)
Depletion	**990,665**	-	373,212
Total Costs	**7,287,234**	3,352,575	3,127,542

5. Financial Expense

	Period to 30 June 2020 US $	Period to 30 June 2019 US$	Year to 31 December 2019 US $
Interest payable	1,191,065	974,252	1,940,527
Unwinding of discount on long term loan	1,131,249	754,118	1,688,536
Amortisation of loan fees	150,199	223,214	464,283
Warrant Valuation expense	11,106	-	-
Accretion of right of use liabilities	2,293	17,818	17,401
Foreign Exchange Losses	660,018	261,956	1,247,936
Bank fees and overseas transaction tax	66,510	58,328	116,933
Total	**3,212,440**	2,289,686	5,475,616

6. Derivative Financial Gain/Loss

	Period to 30 June	Period to 30 June	Year to 31 December

	2020 US $	2019 US $	2019 US $
Fair value gain	**642,678**		339,219
Total	**642,678**	-	339,219

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

7. Discontinued Operations

On 20 May 2019 the Company announced that it had negotiated an accelerated close of the initial phase of works on the CDL 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 in Tunisia Independent Resources (Ksar Hadada) Ltd was dissolved in June 2019, all assets have 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)
Net current assets receivable	-	-
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)

There were no discontinued operations for the 6 month period to 30 June 2020.

8.Taxation

The Group has tax losses available to be carried forward in certain subsidiaries and the parent company. Due to uncertainty around timing of the Group's projects, management have not considered it appropriate to anticipate an asset value for them. No tax charge has arisen during the six month period to 30 June 2020, or in the six months period to June 2019, or the year to 31 December 2019.

9. Loss Per Share

The calculation of basic and diluted loss per share at 30 June 2020 was based on the loss attributable to ordinary shareholders. The weighted average number of ordinary shares outstanding during the year ending 30 June 2020 and the effect of the potentially dilutive ordinary shares to be issued are shown below.

	Period to 30 June 2020	Period to 30 June 2019	Year to 31 December 2019
Net loss for the year (US $)	**(5,747,099)**	(7,872,159)	(13,472,062)
Basic weighted average ordinary shares in issue during the year	**711,717,587**	477,939,144	515,840,359
Diluted weighted average ordinary shares in issue during the year	**711,717,587**	477,939,144	515,840,359
Loss per share (cents)			
Basic	**(0.81)**	(1.65)	(2.61)
Diluted	**(0.81)**	(1.65)	(2.61)

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.

10. Property, Plant and Equipment

	PPE - O&G Properties US $	**CDL Licence Areas Discontinued US $**	**Fixtures & Fittings US $**	**Property Right-of-Use Assets US $**	**Total US $**
30 JUNE 2020					
Cost					
1 January 2020	**979,164**	**-**	**131,122**	**309,804**	**1,420,090**
Additions	**-**	**-**	**35**	**-**	**35**
Disposals	**-**	**-**	**(33,923)**	**(309,804)**	**(343,727)**
30 June 2020	**979,164**	**-**	**97,234**	**-**	**1,076,398**
Depreciation					
1 January 2020	**3,338**	**-**	**91,366**	**224,176**	**318,880**
Charge for the period	**8,568**	**-**	**19,828**	**74,046**	**102,442**
Disposals	**-**	**-**	**(32,985)**	**(298,222)**	**(331,207)**

30 June 2020	**11,906**	**-**	**78,209**	**-**	**90,115**
Carrying amount					
30 June 2020	**967,258**	**-**	**19,025**	**-**	**986,283**
30 JUNE 2019					
Cost					
1 January 2019	1,270,832		156,554	334,625	1,762,011
Additions	-		-	-	-
Disposals	-		(10,016)	(24,821)	(34,837)
30 June 2019	1,270,832		146,538	309,804	1,727,174
Depreciation					
1 January 2019	1,270,832		66,400	89,167	1,426,399
Charge for the period	-		22,168	80,651	102,819
Disposals	-		(21,120)	-	(21,120)
30 June 2019	1,270,832		67,448	169,818	1,508,098
Carrying amount					
30 June 2019	-		79,090	139,986	219,076
31 DECEMBER 2019					
Cost					
1 January 2019	-	1,270,832	156,554	334,625	1,762,011
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

11. Other Intangible Assets

Exploration and Evaluation

	Argentina Exploration & Evaluation US $	CDL Licence Areas Discontinued US $	Ksar Hadada Exploration Acreage US $	Total US $
30 June 2020				
Cost				
1 January 2020	**20,943,460**	**-**	**-**	**20,943,460**
Discontinued operations	**-**	**-**	**-**	**-**
Decommissioning assets	**29,401**	**-**	**-**	**29,401**
Additions	**1,105,009**	**-**	**-**	**1,105,009**
Transfer to PP&E	**-**	**-**	**-**	**-**
30 June 2020	**22,077,870**	**-**	**-**	**22,077,870**
Impairment				
1 January 2020	**369,874**	**-**	**-**	**369,874**
Depletion	**949,431**	**-**	**-**	**949,431**
Depreciation decommissioning assets	**32,671**	**-**	**-**	**32,671**
Discontinued operations	**-**	**-**	**-**	**-**
Impairment charge for the period	**-**	**-**	**-**	**-**
30 June 2020	**1,351,976**	**-**	**-**	**1,351,976**
Carrying amount				
30 June 2020	**20,725,894**	**-**	**-**	**20,725,894**
31 December 2019	**20,573,587**	**-**	**-**	**20,573,587**
30 JUNE 2019				
Cost				
1 January 2019	15,708,302	-	2,043,429	17,751,731
Discontinued operations	-	-	(2,043,429)	(2,043,429)
Additions	11,278,548	-	-	11,278,548
Transfer to PP&E	-	-	-	-
30 June 2019	26,986,850	-	-	26,986,850
Impairment				
1 January 2019	14,148,371	-	2,043,429	16,191,800
Discontinued operations	-	-	(2,043,429)	(2,043,429)
Impairment charge for the period	2,793,699	-	-	2,793,699
30 June 2019	16,942,070	-	-	16,942,070
Carrying amount				
30 June 2019	10,044,780	-	-	10,044,780
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 assets	2,940,000	-	-	2,940,000
31 December 2019	20,943,460	-	-	20,943,460
Impairment				
1 January 2019	-	14,148,371	2,043,429	16,191,801
Disposals	-	(16,950,610)	(2,043,429)	(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

Physical property, plant and equipment acquired as part of the acquisition of the producing assets in Fracción C,D and L (CDL) were transferred from intangible assets and depleted on a unit of production basis during 2018. A decision was made to impair the assets of CDL following the results of the drilling campaign carried out during 2018 and early 2019. Echo negotiated its exit from the CDL assets at the end of April 2019.

12. Cash and Cash Equivalents

	Six months to 30 June 2020 US $	Six months to 30 June 2019 US $	31 December 2019 US $
Cash held by joint venture partners	**194,973**	1,514,825	300,736
Cash and cash equivalents	**969,435**	2,610,488	1,397,266
Total	**1,164,408**	4,125,313	1,698,012

Echo has advanced cash to its joint venture partner. The equity share of the balance held is recognised.

13. Share Capital

	Six months to 30 June 2020 US $	Six months to 30 June 2019 US $	Year to 31 December 2019 US $
Issued, Called Up and Fully Paid			
711,717,587 0.32¢ (June 2019: 474,939,144 0.31¢) ordinary shares			
1 January 2020	**5,190,877**	4,444,999	4,444,999
Equity shares issued		-	745,878
30 June / 31 December	**5,190,877**	4,444,999	5,190,877

The holders of 0.32c (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.

14. Share Premium Account

	Six months to 30 June 2020 US $	Six months to 30 June 2019 US $	Year to 31 December 2019 US $
1 January	**64,817,662**	58,329,880	58,329,880
Premium arising on issue of equity shares	**-**	-	6,924,246
Warrants lapsed or exercised	**-**	-	-
Transaction costs	**-**	-	(436,464)
30 June / 31 December	**64,817,662**	58,329,880	64,817,662

15. Loans Due in Over One Year

	30 June 2020 US $	30 June 2019 US$	31 December 2019 US $
Five-year secured bonds	(18,429,737)	(15,575,196)	(16,388,586)
Other loans	(5,799,268)	-	(4,215,716)
Total	(24,229,005)	(15,575,196)	(20,604,302)

	Balance as at 31 December 2019 US $	Amortised finance charges less cash interest paid US $	Exchange adjustments US $	**30 June 2020 US$**
€20 million five-year secured bonds	17,396,519	1,749,050	(40,835)	**19,104,734**
€5 million Lombard Odier debt	4,583,289	437,408	5,356	**5,026,053**
£1 million Spartan debt	1,290,963	123,618	(91,057)	**1,323,524**
Loan fees	(1,007,933)	107,574	**-**	**(900,359)**
Incremental loan fees	(367,573)	42,626	**-**	**(324,947)**
Total	21,895,265	2,460,276	(126,536)	**24,229,005**

In May 2020 the Company successfully negotiated the extension of loans or deferral of cash interest during 2020 with all debt payments were deferred to March 2021. The Company agreed a two-year extension to its £1 million loan held by Spartan Fund Limited, whereby the interest rate remained unchanged and further agreed that interest payments at the annual rate of 12.0% accrued and, at the end of each quarterly interest period until March 2021, be added to the aggregate principal amount, for payment on maturity on 8 March 2022.

On 14 May 2020 Echo announced concluded negotiations to amend its €5 million debt facility held by Lombard Odier. Lombard Odier agreed to defer 2020 interest payments such that no interest will be due prior to 31 March 2021. On 22 May 2020, the Company further announced that the holders of the €20 million five-year secured bonds gave their consent to defer quarterly interest payments which would otherwise be due in 2020, such that 2020 interest payments will be payable on maturity of the bonds in May 2022. The Company will continue to be required to make quarterly payments in 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 holders of the €20m Bond and Lombard Odier in its capacity as lender under of the Company's €5m Loan.

16. Subsequent Events

Successful Tapi Aike Restructuring
On the 16 July 2020, Echo successfully restructured its relationship with CGC on an interest in the Tapi Aike licence. The new agreement, in line with the Company's immediate focus on optimising capital allocation, enabled Echo to cease commitments to ongoing pre-drill expenditure at Tapi Aike, whilst maintaining an option for the Company to re-enter the western cube (Traversia de Arriba) of the Licence (the "Western Cube") once pre-drill technical activities have been completed by the Operator and Echo has assessed the data available. Echo repositioned the Company's 19% participating interest in Tapi Aike, effectively relieving Echo of all Licence funding requirements including ongoing pre-drill work and remaining Licence commitments (including well costs, abandonment fees and decommissioning liabilities) through a withdrawal from Tapi Aike with an effective date of 1 July 2020. Ascribed to this deal is the grant of an option to the Company allowing the Company to re-enter a 19% participating interest in the Western Cube (the "Option") ahead of the next well spud in the Western Cube drill programme (the "Relevant Well") providing access to exploration upside.

Before the exercise by the Company of the Option, the restructuring is expected to save the Company approximately US $36,000 a month in operating costs and enables Echo to delay and, importantly, possibly avoid all near term costs and future liabilities associated with a participating interest in the Licence. The consideration payable by the Company to the Operator for the entry of the Option of US $339,000 represents an amount equivalent to a proportion of amounts that Echo would otherwise be required to meet under existing arrangements in respect of technical work which has already been executed on the Licence but not yet settled. This payment is deferred until the earlier of: (i) the Company receiving a VAT cash refund from the Argentine authorities expected to be in excess of US $1 million, (ii) 12 months from the signing of the Option, or (iii) at the point of the Operator spudding the Relevant Well.

The Option is exercisable by the Company at any time up until 30 days prior to the drilling of the Relevant Well for an additional payment to the Operator by the Company of US $503,000, equivalent to the cost of technical work which has already been completed on the Licence. Prior to exercise of the Option, Echo will be provided with access to all pre-drill technical information, data and the Operator's interpretations on the then proposed Relevant Well. In addition, and once the results of the Relevant Well are confirmed, Echo will also have a further right to elect to withdraw from the Western Cube for no additional cost or to continue with subsequent exploration wells in the area. The Board of Echo believes that immediate cessation of operating costs paid by the Company to the Operator, will better align the Company and its partners in Tapi Aike, in concluding the ongoing technical work in a timely manner, in advance of a decision regarding the Relevant Well.

Issue of Equity
On the 10 August 2020, Echo Energy raised gross proceeds of £450,000 through the issue of 95,000,000 new Ordinary Shares at a placing price of 0.5p per share, with warrants attached to the Placing Shares on a 1-for-1 basis. The Company has also issued 95,000,000 warrants to subscribe for new Ordinary Shares at a price of 1.0p per new Ordinary Share (being a 54 per cent premium to the closing mid-market price per Ordinary Share price on Friday 24 July 2020) . In addition to the Placing Warrants, the Company issued 5,700,000 warrants to subscribe for new Ordinary Shares at any time until the second anniversary of issue and with an exercise price of 0.8p per Ordinary Share ("Fee Warrants") in respect of fees incurred in connection with the Placing. The Placing Shares rank pari passu in all respects with the existing Ordinary Shares.

VAT owed by Argentinian Government
Due to the effects of the Covid pandemic, the Argentinian government have been under a state of lockdown since 18 March 2020 and this is expected to last until 11 October 2020. This has delayed the process of VAT repayment (approximately US $1.7 million) owed to the Group.

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