RNS Number : 4818Z
Echo Energy PLC
20 May 2019

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

Argentinian Portfolio Restructuring and appointment of Chief Executive

Echo Energy plc, the Latin American focused upstream oil and gas company, is pleased to provide an update on the Tapi Aike seismic acquisition programme and to announce a restructuring of the Company's onshore Argentinian portfolio, pursuant to which the Company will consolidate its focus on the Tapi Aike licence and its multi Tcf exploration potential.

Highlights:

- Strong progress on Tapi Aike seismic acquisition reinforcing the exciting Tapi Aike prospectivity.

- Restructued Compañía General de Combustibles S.A. ("CGC") relationship following a portfolio review which was focused on establishing the best way forward in terms of risk/reward balance and capital allocation for the Company.

- The new relationship terms with CGC, the Company's Argentinian partner, will result in additional funding for the Company's Tapi Aike drilling campaign, a material reduction of the Company's near term capital expenditure requirements and represents a significant improvement on the original Tapi Aike acquisition economics. This consists of:

    1. Restructured participation in the Tapi Aike licence, under which Echo will now hold an 19% interest and pay 19% of costs in Tapi Aike, ending the previous CGC carry arrangement and significantly lowering the Company's capital obligations. CGC will additionally release US$2.06m of Echo cash previously earmarked for Fracción C, Fracción D, Laguna Los Capones ("CDL") which Echo will direct towards the Tapi Aike drilling campaign costs.

    2. Decision not to proceed to the second phase of work at CDL leading to a relinquishment of the Company's interests in the concessions and the associated liabilities including avoiding a seismic commitment which was estimated to cost the Company approximately US$11 million.

- As a result of the new arrangements the Company and CGC are now in a position to accelerate the exploration program and confirm plans to drill the first well in Tapi Aike in Q4 2019.

Tapi Aike Seismic Acquisition

Seismic acquisition and interpretation work continue on the Company's Tapi Aike licence to mature prospects to drill-ready status. Processing of data acquired in the Eastern Cube is well underway, and, although at an early stage, reinforces the exciting prospectivity previously identified on 2D data. The Company is now continuing to acquire data on the Western Cube, which is progressing well and the data acquisition phase remains on track to be completed by the end of H1 2019.

Echo continues to be excited by the multi Tcf exploration potential in Tapi Aike which represents significant potential upside for equity investors and looks forward to updating shareholders as it continues to progress towards anticipated drilling in Q4 2019.

Portfolio Review - CDL and Tapi Aike

The Board has reviewed Echo's onshore Argentinian portfolio following recent operations in the country with a view to establishing the best way forward in terms of risk/reward balance and capital allocation. Early seismic indications serve to reinforce the Company's positive view of Tapi Aike as Echo's key strategic priority, whilst identifying the route to best utilising the Company's funds in support of the Tapi Aike drilling campaign, has also been a key consideration.

CDL Withdrawal

In order to deliver this strategy, and seeing relatively limited remaining upside for shareholders in the CDL concessions, the Company has negotiated and agreed an accelerated close of the initial phase of works on the the CDL concessions (the "Initial Phase") with CGC. This will result in Echo withdrawing from its interests and liabilities under the CDL concessions prior to the commencement of the second stage of works on the CDL concessions (the "Second

Phase") in accordance with the terms of the CDL farm-out agreement (the "CDL Farm-Out") thereby enabling Echo to focus its capital on Tapi Aike.

As part of this restructuring, CGC will take on all outstanding liabilities on the CDL concessions and will waive any outstanding work commitments under the Initial Phase, including the previously agreed CDL seismic commitment, which was estimated to cost approximately US$11 million and was to be met 100% by the Company. In addition, no deferred cash payment will be payable by Echo to CGC on the agreed early completion of the Initial Phase, reducing Echo's near-term capital requirements by a further US$2.5 million.

Echo originally secured access to the CDL concessions in 2017 pursuant to the CDL Farm-Out entered into with CGC. The Company and CGC subsequently completed a number of workovers and drilled four exploration wells across the CDL assets in accordance with the Company's strategy. The exploration wells were designed to test the Tobifera play which runs through the CDL licences. The results of the drilling campaign were disappointing and while hydrocarbons were present in certain of the exploration wells drilled, they were not capable of being produced at commercial rates. As a result, the Company considers that no substantial commercial upside remains in the CDL licences. The CDL licences currently deliver declining production to Echo Energy at an unacceptable financial return for shareholders. The CDL assets were written off in the Company's recent full year results for the year ended 31 December 2018.

Tapi Aike

In order to align Echo's partnership with CGC more closely, and to seek to accelerate activities on higher margin exploration potential, Echo and CGC have also agreed to revised equity and cost-sharing arrangements on the Tapi Aike licence. The prior arrangements saw Echo hold a 50 per cent interest in the Tapi Aike licence with an agreement to pay 65 per cent of drilling costs across the four well drilling campaign. Echo and CGC have now agreed an amendment to the terms of Echo's participation in the Tapi Aike licence such that Echo will now hold an 19 per cent interest and pay 19 per cent of well costs, ending the previous carry arrangement and significantly lowering the Company's capital needs with regard to the drilling programme. CGC will also release US$2.06 million of Echo cash reserves previously required for the CDL Initial Phase which will be applied by Echo to fund future drilling in Tapi Aike.

Chief Executive Appointment

The Company is also delighted to announce that Martin Hull has been appointed with immediate effect as Echo's Chief Executive Officer.

Martin Hull, Echo Energy's Chief Executive, commented:

"I strongly believe that this transaction marks a significant turning point for Echo Energy, providing a much firmer financial footing, nearer term drilling and clearer strategic focus on high reward exploration. The restructuring retains a potentially highly material stake in Tapi Aike, offering significant potential upside for equity investors, whilst substantially reducing our capital requirement and accelerating drilling. In addition to delivering the Tapi Aike exploration programme my team and I will now focus on new business development to expand our regional footprint."

For further information please contact:

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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.

Note

The assignment of Echo´s participation in the Tapi Aike licences is subject to the authorisation of the Executive Branch of Santa Cruz´s Province, which is part of the overall process of title transfer that is proceeding as anticipated. The licence is operated by Compañía General de Combustibles S.A. ("CGC").