



**Santa Cruz Sur
Production Acquisition**



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Echo Energy plc at a glance – before Santa Cruz Sur acquisition

Echo Energy is an exploration led, gas focused AIM-listed E&P company with an exciting onshore asset base in Latin America

Argentina

- 19% interest in high impact Tapi Aike exploration license
- 41 leads identified – 7.7 Tcf of P50 gross gas in place (GIIP)
- 3D seismic acquisition completed improving definition of well targets
- Low cost exploration drilling campaign to commence Q4 2019

Highly experienced management team with extensive commercial & technical regional expertise

Continuously evaluating value accretive growth opportunities

Bolivia

- Rio Salado & Huayco TEA/JEAs
- Multi-Tcf exploration options
- Ongoing drilling/testing operations in nearby acreage

Bold growth strategy driven by our core values of technical excellence, commercial innovation, partnership and integrity



Big step forward in building material diversified growth portfolio

1 High quality

High quality asset with existing infrastructure, positive cashflow, and production

2 Production & cashflow

Material production of c.2,600 boepd – step change in scale for Echo

3 Attractive valuation

Highly attractive acquisition price – large discount to reserve valuation

4 Multiple upsides

Near term upside potential with workovers, and step out developments plus attractive exploration

Deal fits the Echo strategy of delivering shareholder value from existing portfolio and new opportunities and team are well positioned to extract further value from deal

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Proposed acquisition deal highlights

Reserves



- Net (70%) 1P reserves of 4.3 MMboe and 2P reserves of 13.7 Mmboe*

Acquisition Price



- Echo buying at deep discount (circa 80% to \$44.5 2P reserve valuation)
- 1P reserves c. 2.0 \$/boe (based on GCA report 31 Dec 2018)
- 2P reserves c. <1.0 \$/boe

Production



- Net (70%) production of 2,633 boepd (H1 2019) including c.500 bbl/d of oil
- Substantial existing infrastructure in place

Cash Flow



- Substantial cash flows of c. \$15m over next 3 years with significant upside potential
- Utilises existing VAT credit value of c.\$3m within c.24 months

Upside potential



- Significant potential for production increase through workover programme (15 wells already identified)
- Opportunity to commercialise existing 2P reserve
- Upcoming Campo Limite exploration well (part funded by vendor)

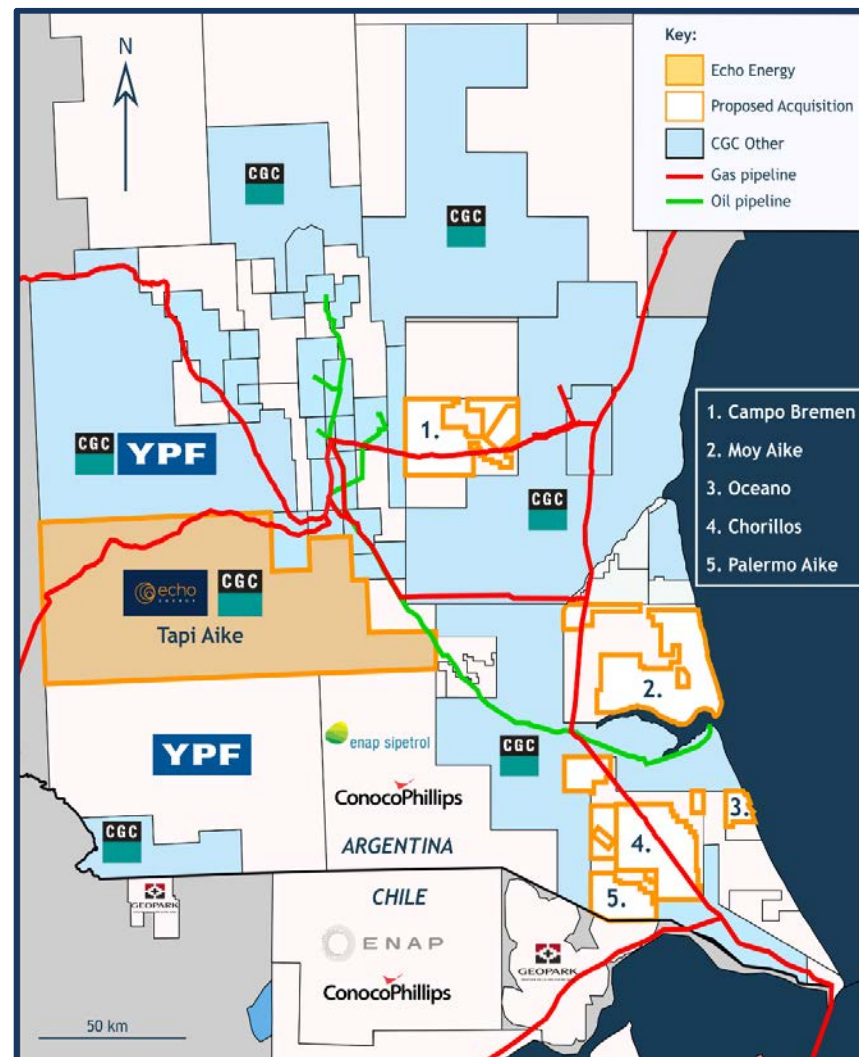
*Gaffney, Cline & Associates certified (Dec 2018)



Proposed asset acquisition overview

- Package of five production concessions in the Austral Basin, Santa Cruz province
- Blocks consist of 12 oil and gas fields with significant production from Upper Jurassic Tobifera and Lower Cretaceous Springhill
- Asset consists of 83 wells, including 72 producers and 11 water injectors
- Infrastructure already in place - oil trucked to the Punta Loyola terminal
- Gas piped primarily through the San Martin pipeline to Buenos Aires
- 70% non-operated interest with ability to 'control' future operations

Santa Cruz Sur





Attractive financing package secured – demonstrating support for Echo strategy and specifically current acquisition

Transaction headlines

- Consideration at completion \$8.5m
 - \$7m cash +
 - \$1.5m equity +
 - deferred \$1.5m contingent upon 1P reserve increase*
- Near term Campo Limite exploration well to be part funded by seller. Drilling expected to commence Q4 2019

Funding mixture of debt & equity

- Total gross funds raised amount to c. US \$11.8 million coming from:
 - a GBP £4.85million placing of new shares priced at 2.5 p/share
 - a €5million loan facility raised with Lombard Odier with the following terms:
 - 8% interest p.a.
 - Matures in May 2022
 - Loan can be converted to shares at 3 p/share
 - Issue of warrants with a strike price of 3 p/share

*Reserves Replacement Ratio > 1, when more resources discovered & matured than produced

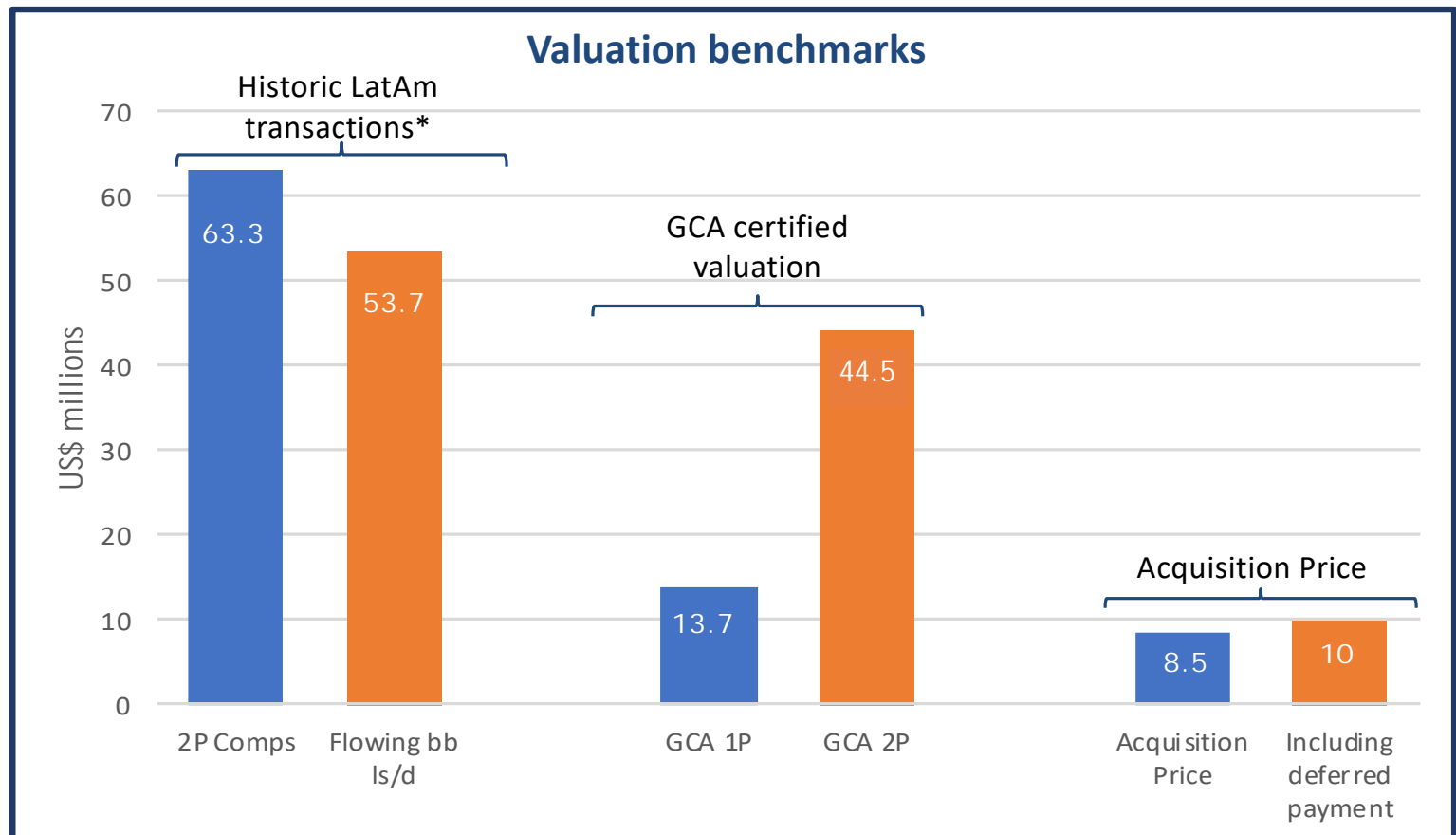


Santa Cruz Sur: attractive valuation

Acquisition price of \$8.5m is a significant 38% discount to GCA 1P valuation

GCA valuation in 2018 CPR:
\$13.7m for 1P valuation
\$44.5 m for 2P valuation

Implied precedent transactions for LatAm:
\$4.7/boe for 2P valuation
c. \$20,000/boe for flowing barrels



*This reflects the traded volumes across Latin America, which does not correct for differences in fiscal regimes and stage of the life cycle fields



Deal Summary: Echo team well positioned to generate significant additional upside potential for investors

Ready opportunities – not only focused on exploration

- Potential for significant upside using streamlined operational expertise
- 15 wells already identified with workover potential
- Use of Electrical Submersible Pumps (ESP)
- Use of JV-owned modern workover rig - reduces cost, increases efficiency

Near term enhanced commercialization

- Well in Palermo Aike block being tied in to Chile pipeline for gas export
- Moy Aike – potential for gas development to tie back to trunk line
- 2P upside – 30+ new wells in existing fields

Future Upside

- Upside potential from upcoming Campo Limite exploration well
- Near field oil & gas opportunities in several areas

Operational streamlining

- Cost reduction core to ongoing strategy
- Opex peso denominated – devaluation aids reduction in costs



A step change for Echo

- Creates a strong regional player in southern Argentina
- Creates a business with a strong foundation of cash generation to support and build a basis for value generating/accretive activities
- Ability to self-fund ongoing costs
- Balanced portfolio of:
 - Material production generating positive cashflow
 - Lower risk upside opportunities eg. workovers, step out developments
 - High impact exploration in Tapi Aike, Campo Limite and Bolivia
- Numerous news-flow catalysts for investors



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Technical Excellence, Commercial Innovation, Partnership, and Integrity



News catalysts for investors

2019 / 2020

Acquisition completion

Santa Cruz Sur revenues
come on stream

Tapi Aike first drill

Confirm / open up Eastern
Tapi Aike basin play

Campo Limite exploration well

Uplift in reserves and
resources

Santa Cruz Sur workover
programme

Boost to production and
revenues

2nd, 3rd, and 4th Tapi Aike wells

Potential uplift in reserves
and resources

Accretive growth opportunities

Further value creation for
shareholder

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