Interim Report

Six months ended 30th June 2017

echo ENERGY PLC
Exploration & Production

Contents

Chairman's statement

Echo Energy plc (Echo) is an AIM listed, Latin American focused, mid-cap gas company in the making. The Company was launched in March 2017 and is pursuing a bold and adventurous upstream growth strategy across Central and South America.

This LATAM regional exploration / appraisal strategy is focused on accessing multi Tcf, low cost gas piped to high value growing markets across a region which has suffered from a historic period of underinvestment and where there is an immediate market for locally sourced gas.

Corporately, Echo has already made significant progress in building the foundations for the delivery of its growth strategy. Since launch, the Company has raised some £26M of cash, secured a cornerstone investor and introduced a world class team with strong regional connections and an indisputable track record in building mid cap AIM listed gas businesses with sustainable value growth for Private Investors. In five months, Echo has secured two positioning transactions in Bolivia, one of the few remaining 'untapped' prolific hydrocarbon provinces and the key gas supply hub in the region. We expect to secure further corporate and asset transactions in Bolivia and beyond (including Argentina and the Caribbean) in the near term. It is then the Company's intention to selectively bring in pre-identified strategic partners to the business to fund and technically de-risk the larger assets.

Echo is an entrepreneurial, high growth vehicle led and backed by an experienced team and managed with an eye for private investors. We believe our Company provides a compelling investment proposition for investors at this specific point in the cycle.

James Parsons,
Chairman Echo Energy Plc.

Chief Executive Officer's Statement

Since the company's relaunch it has been a very busy start for the new management team at Echo and we have already taken our first steps of creating the building blocks of a mid-cap E&P company alongside building a portfolio with multi-Tcf potential.

In June 2017, we signed a Joint Evaluation Agreement (JEA) with Pluspetrol, a privately owned major oil & gas company in the region, giving us the opportunity to secure an 80% operated interest in the Huayco Block in Southern Bolivia. The signing of this JEA was shortly followed by the signature of a tri-partite

Chief Executive Officer's Statement

Technical Evaluation Agreement (TEA) between Echo, Pluspetrol and YPFB (the Bolivian National Oil Company) over the Rio Salado Block which surrounds Huayco and contains an extension of the previously identified structure.

Both agreements will allow Echo to assess the resource prospectivity of the Greater Huayco Region whilst not committing the Company to a work programme until the sub-surface potential is fully understood.

We see our partnership with Pluspetrol as a long-term relationship with durability and scope to broaden across Bolivia and the region as a whole. This entry into Bolivia provides the company with a toe-hold in the country underpinning the importance of the regional relationships already established.

The coming months will see your new management team add more assets to the portfolio, continue to develop our regional partnerships and assess merits of a number of opportunities across the LatAm region where we will be focussed on delivering access to high value assets based on rigorous technical and commercial analysis. We are technically driven but nimble and opportunistic and believe that the E&P cycle is at a low point that will enable us to build a portfolio across the region whilst benefitting from what we expect will be improving markets and business environment.

Fiona MacAulay,
Chief Executive Officer Echo Energy Plc.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Consolidated statement of comprehensive income

Six months ended 30 June 2017

	Notes	Unaudited 1 January 2017 to 30 June 2017 £	Unaudited 1 January 2016 to 30 June 2016 £	Audited 1 January 2017 to 31 December 2016 £
Continuing operations				
Revenue	2	-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administrative expenses		(1,287,580)	(281,672)	(1,325,362)
Other operating income		-	-	-
Operating loss		(1,287,580)	(281,672)	(1,325,362)
Financial income		369	114	144
Financial expense		(364,288)	(17,143)	(23,739)
Share of post-tax losses of equity account joint ventures		-	-	-
Loss before tax		(1,651,499)	(298,701)	(1,348,957)
Taxation	3	-	-	-
Loss from continuing operations		(1,651,499)	(298,701)	(1,348,957)
Discontinued operations				
Loss after taxation for the period from discontinued operations		(24,759)	(149,992)	(5,905,227)
Loss for the period		(1,676,258)	(448,693)	(7,254,184)
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		2,121	624,689	807,370
Total comprehensive profit/(loss) for the year		(1,674,137)	175,996	(6,446,814)
Loss attributable to:				
Owners of the parent		(1,676,258)	(448,693)	(7,254,184)
Total comprehensive loss attributable to:				
Owners of the parent		(1,674,137)	175,996	(6,446,814)
Loss per share (pence)	4			
Basic		(0.9)	(2.1)	(18.6)
Diluted		(0.9)	(2.1)	(18.6)
Loss per share (pence) for continuing operations				
Basic		(0.9)	(1.4)	(18.6)
Diluted		(0.9)	(1.4)	(18.6)

Consolidated statement of financial position

As at 30 June 2017

	Notes	Unaudited 30 June 2017	Unaudited 30 June 2016	Audited 31 December 2016
		£	£	£
Non-current assets				
Property, plant and equipment		1,957	8,303	3,647
Other intangible assets	5	432,486	432,486	432,486
Investments in equity-accounted joint ventures	6	-	-	-
		434,443	440,789	436,133
Current assets				
Other receivables		118,239	686,523	235,217
Cash and cash equivalents		25,545,780	61,366	182,164
		25,664,019	747,889	417,381
Assets held for distribution		91,808	5,680,861	89,371
		25,755,827	6,428,750	506,752
Current liabilities				
Trade and other payables		(479,890)	(861,691)	(417,801)
Liabilities directly associated with the assets held for distribution		(11,864)	(47,403)	(11,548)
		(491,754)	(909,094)	(429,349)
Net current assets		25,264,073	5,519,656	77,403
Non-current liabilities				
Loans due in over one year		(10,245,639)	-	-
	10			
Net assets		15,452,877	5,960,445	513,536
Equity attributable to equity holders of the parent				
Share capital		3,104,919	2,327,488	2,430,612
Share premium	7	25,439,364	17,247,816	17,621,763
Shares to be issued	8	277,468	-	277,468
Shares option reserve		103,058	84,357	85,515
Share warrant reserve		8,730,575	302,453	714,977
Foreign currency translation reserve		473,801	288,999	471,680
Retained earnings		(22,676,308)	(14,290,668)	(21,088,479)
Total equity		15,452,877	5,960,445	513,536

Consolidated statement of changes in equity

Six months ended 30 June 2017

	Retained earnings	Share capital	Share premium	Shares to be issued	Share option reserve	Share warrant reserve	Foreign currency translation reserve	Total
	£	£	£	£	£	£	£	£
Six months to 30 June 2017								
1 January 2017	(21,088,479)	2,430,612	17,621,763	277,468	85,515	714,977	471,680	513,536
Loss for the period	(1,676,258)	-	-	-	-	-	-	(1,676,258)
Exchange differences	-	-	-	-	-	-	2,121	2,121
Total comprehensive loss for the period	(1,676,258)	-	-	-	-	-	2,121	(1,674,137)
New shares issued	-	674,307	7,506,397	-	-	-	-	8,180,704
Share issue costs	-	-	(101,320)	-	-	-	-	(101,320)
New share warrants issued	-	-	-	-	-	8,448,812	-	8,448,812
Warrants exercised	-	-	412,524	-	-	(412,254)	-	-
Warrants lapsed	20,690	-	-	-	-	(20,690)	-	-
Share options lapsed	67,739	-	-	-	(67,739)	-	-	-
Share-based payments	-	-	-	-	85,282	-	-	85,282
30 June 2017	(22,676,308)	3,104,919	25,439,364	277,468	103,058	8,730,575	473,801	15,452,877
Six months to 30 June 2016								
1 January 2016	(13,841,975)	2,159,247	16,628,623	-	71,718	302,453	(335,690)	4,984,376
Loss for the period	(448,693)	-	-	-	-	-	-	(448,693)
Exchange differences	-	-	-	-	-	-	624,689	624,689
Total comprehensive loss for the period	(448,693)	-	-	-	-	-	624,689	175,996
New shares issued	-	168,241	629,082	-	-	-	-	797,323
Share issue costs	-	-	(9,889)	-	-	-	-	(9,889)
New share warrants issued	-	-	-	-	-	-	-	-
Share options lapsed	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	12,639	-	-	12,639
30 June 2016	(14,290,668)	2,327,488	17,247,816	-	84,357	302,453	288,999	5,960,445
Year to 31 December 2016								
1 January 2016	(13,841,975)	2,159,247	16,628,623	-	71,718	302,453	(335,690)	4,984,376
Loss for the period	(7,254,184)	-	-	-	-	-	-	(7,254,184)
Exchange differences	-	-	-	-	-	-	807,370	807,370
Total comprehensive loss for the period	(7,254,184)	-	-	-	-	-	807,370	(6,446,814)
New shares issued	-	264,065	887,329	-	-	-	-	1,151,394
New share warrants issued	-	-	-	-	-	412,524	-	412,524
Share issue costs	-	-	(9,889)	-	-	-	-	(9,889)
Share options lapsed	7,680	-	-	-	(7,680)	-	-	-
Share-based payments	-	7,300	115,700	277,468	21,477	-	-	421,945
31 December 2016	(21,088,479)	2,430,612	17,621,763	277,468	85,515	714,977	471,680	513,536

Consolidated statement of cash flows

Six months ended 30 June 2017

	Unaudited 1 January 2017 to 30 June 2017 £	Unaudited 1 January 2016 to 30 June 2016 £	Audited 1 January 2016 to 31 December 2016 £
Cash flows from operating activities			
Loss from continuing operations	(1,651,499)	(298,701)	(1,348,957)
Loss from discontinued operations	(24,759)	(149,992)	(5,905,227)
	(1,676,258)	(448,693)	(7,254,184)
Adjustments for:			
Depreciation of property, plant and equipment	1,690	3,212	5,431
Impairment of intangible assets and goodwill	-	-	5,756,250
Loss on disposal of property, plant and equipment	-	-	2,437
Share of post-tax loss of equity accounted joint ventures	-	137,906	137,906
Share-based payments	85,282	12,639	421,945
Warrants issued	-	-	412,524
Financial income	(369)	(114)	(144)
Financial expense	364,288	17,143	23,739
	(1,225,367)	(277,907)	(494,096)
(Increase)/decrease in other receivables	119,099	(293,730)	283,265
(Increase)/decrease in assets held for distribution	(2,121)	7,182	(11,557)
(Decrease)/increase in trade and other payables	(87,272)	245,758	(684,735)
Cash used in operations	(1,195,661)	(318,697)	(907,123)
Income taxes received	-	-	-
Net cash used in operating activities	(1,195,661)	(318,697)	(907,123)
Cash flows from investing activities			
Interest received	369	114	144
Interest paid	(153,731)	-	(23,739)
Proceeds on disposal of property, plant and equipment	-	-	-
Acquisition of equity accounted joint venture	-	-	-
Purchase of intangible assets	-	-	-
Purchases of property, plant and equipment	-	(396)	(396)
Net cash used in investing activities	(153,362)	(282)	(23,991)
Cash flows from financing activities			
Net proceeds from debt	13,346,750	200,000	-
Issue of share capital	13,365,889	93,577	1,026,510
Share issue costs	-	(9,889)	(9,889)
Net cash from financing activities	26,712,639	283,688	1,016,621
Net increase/(decrease) in cash and cash equivalents	25,363,616	(35,291)	85,507
Cash and cash equivalents at beginning of the period	182,164	96,657	96,657
Cash and cash equivalents at end of the period	25,545,780	61,366	182,164

Notes to the interim financial information

1. Accounting policies

General information
The interim financial information is for Echo Energy PLC ("the company") and subsidiary undertakings (together, the "Group"). The company is registered in England and Wales and incorporated under the Companies Act 2006. The consolidated financial information is presented in GBP ("£") unless otherwise stated.

Basis of preparation
The interim financial information, for the period from 1 January 2017 to 30 June 2017, has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards and International Accounting Standards 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 2016 and are expected to be applied for the year ended 31 December 2017.

The Interim Report is unaudited and does not constitute statutory financial statements. The financial information for the period ended 30 June 2016 does not constitute statutory accounts, as defined in section 435 of the Companies Act 2006 but is based on the statutory financial statements for the year ended 31 December 2016. Those accounts, upon which the auditors issued a qualified opinion in relation to the operation of the joint venture arrangements relating to the group's 25 per cent. working interest in the East Ghazalat production licence, have been delivered to the Registrar of Companies.

The interim consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34, Interim Financial Reporting.

The operations of Echo Energy PLC are not affected by seasonal variations.

The directors do not propose a dividend for the period (2016: nil).

The Interim Report for the six months ended 30 June 2017 was approved by the directors on 4 August 2017

Copies of the Interim Report are available from the Company's website www.echoenergyplc.com.

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.

The assessment has been made based on the Group's anticipated activities which have been included in the financial forecast for the years 2017-2018.

To support the new LATAM strategy the group has, during the reporting period, completed a number of institutional funding rounds and one open offer with each equity fundraise being placed at nil discount to market. This funding will be used to acquire new assets and fund the administrative costs of the group.

Based on the above, the directors have formed a judgment that the going concern basis should be adopted in preparing the interim financial information. The interim financial information does not include any adjustments that may be required should the Group be unable to continue as a going concern. If the Group were unable to continue as a going concern, then adjustments would be necessary to write assets down to their recoverable amounts, non-current assets and liabilities would be reclassified as current assets and liabilities and provisions would be required for any costs associated with closure.

The directors continue to explore all forms of potential fundraising at both a corporate and asset level.

In relation to Ksar Hadada, management's intention remains to secure a farm-in or investment partner to cover programme costs.

Based on the above, the directors have formed a judgment that the going concern basis should be adopted in preparing the financial statements.

Should the Group be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current.

2. Business segments

The Group has adopted IFRS 8 operating segments from 1 October 2009. Per IFRS 8, operating segments are based on internal reports about components of the Group, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker ("CODM") for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance. The Group's reportable operating segments are as follows:

a. Parent company
b. Ksar Hadada

Notes to the interim financial information

The previously reported segments of Ribolla Basin CBM assets and Rivara have been classified as a discontinued operation and has been excluded form the analysis below.

The CODM monitors the operating results of each segment for the purpose of performance assessments and making decisions on resource allocation. 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.

The Group did not generate any revenue during the six month period to 30 June 2017, or in the six month period to 30 June 2016, or the year to 31 December 2016.

	Parent company	Ksar Hadada	Consolidation	Total
	£	£	£	£
Six months to 30 June 2017				
Interest revenue	369	-	-	369
Interest expense	(364,278)	(10)	-	(364,288)
Depreciation	1,690	-	-	1,690
Impairment of intangible assests	-	-	-	-
Income tax	-	-	-	-
Loss for the period before taxation	(1,634,891)	(41,367)	24,759	(1,651,499)
Assets	26,847,520	432,640	(1,181,698)	26,098,462
Liabilities	(10,701,192)	(1,120,469)	1,096,132	(10,725,529)
Six months to 30 June 2016				
Interest revenue	114	-	-	114
Interest expense	(17,143)	-	-	(17,143)
Depreciation	3,212	-	-	3,212
Impairment of intangible assests	-	-	-	-
Income tax	-	-	-	-
Loss for the period before taxation	(5,929)	(1,195)	(291,577)	(298,701)
Assets	5,331,790	435,810	(4,578,922)	1,188,678
Liabilities	(843,435)	(1,048,715)	1,030459	(861,691)
Year to 31 December 2016				
Interest revenue	57,331	-	(57,187)	144
Interest expense	(23,739)	-	-	(23,739)
Depreciation	5,431	-	-	5,431
Impairment of intangible assests	-	-	-	-
Income tax	-	-	-	-
Loss for the period before taxation	(4,487,164)	(34,752)	3,172,959	(1,348,957)
Assets	1,579,091	433,226	(1,158,803)	853,514
Liabilities	(411,350)	(1,079,688)	1,073,237	(417,801)

Notes to the interim financial information

2. Business segments

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

	United Kingdom £	Overseas £	Total £
30 June 2017			
Intangible assets	-	432,486	432,486
Property, plant and equipment	1,957	-	1,957
30 June 2016			
Intangible assets	-	432,486	432,4186
Property, plant and equipment	8,303	-	8,303
31 December 2016			
Intangible assets	-	432,486	432,486
Property, plant and equipment	3,647	-	3,647

3. Taxation

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

No tax charge has arisen during the six month period to 30 June 2017, or in the six month period to 30 June 2016, or the year to 31 December 2016.

4. Loss per share

The calculation of basic and diluted loss per share at 30 June 2017 was based on the loss attributable to ordinary shareholders of £1,676,258 (six month period to 30 June 2016: £448,693, year to 31 December 2016: £7,254,184). The weighted average number of ordinary shares outstanding during the period ending 30 June 2017 and the effect of dilutive ordinary shares to be issued are shown below.times for the Group's projects, and the possibility that these may therefore expire before their use, it is not considered appropriate to anticipate an asset value for them.

	30 June 2017 £	30 June 2016 £	31 December 2016 £
Net loss for the period	(1,676,258)	(448,693)	(7,254,184)
Basic weighted average ordinary shares			
in issue during the period	186,159,251	21,644,235	38,962,494
Diluted weighted average ordinary shares			
in issue during the period	186,159,251	21,644,235	38,962,494
Loss per share (pence)			
Basic	(0.9)	(2.1)	(18.6)
Diluted	(0.9)	(2.1)	(18.6)

In accordance with IAS 33 and as the average share price in the year is lower than the exercise price, the share options do not have a dilutive impact on earnings per share for the period ending 30 June 2017.

Deferred shares have been excluded from the calculation of loss per share due to their nature. Please see note 7 for details of their rights.

Notes to the interim financial information

5. Other intangible assets

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

	River gas storage facility	Ribolla basin CBM assets	Ksar Hadada exploration acerage	Total
	£	£	£	£
Six months to 30 June 2017				
Cost				
1 January 2017	5,756,250	4,501,130	1,513,315	11,770,695
Exchange differences	156,845	122,646	-	279,491
Additions (net of credits received)	-	-	-	-
30 June 2017	5,913,095	4,623,776	1,513,315	12,050,186
Amortisation				
1 January 2017	5,756,250	4,501,130	1,080,829	11,338, 209
Exchange differences	156,845	122,646	-	279,491
30 June 2017	5,913,095	4,623,776	1,080,829	11,617,700
Carrying value				
30 June 2017	-	-	432,486	432,486
31 December 2016	-	-	432,486	432,486
Six months to 30 June 2016				
Cost				
1 January 2016	4,950,206	3,870,839	1,517,641	10,338,686
Exchange differences	624,169	488,072	-	1,112,241
Additions	-	-	(4,326)	(4,326)
30 June 2016	5,574,375	4,358,911	1,513,315	11,446,601
Amortisation				
1 January 2016	-	3,870,839	1,080,829	4,951,668
Exchange differences	-	488,072	-	488,072
30 June 2016	-	4,358,911	1,080,829	5,439,740
Carrying value				
30 June 2016	5,574,375	-	432,486	6,006,861
Year to 31 December 2016				
Cost				
1 January 2016	4,950,206	3,870,839	1,517,641	10,338,686
Exchange differences	806,044	630,291	-	4,436,335
Disposals	-	-	(4,326)	(4,326)
31 December 2016	5,756,250	4,501,130	1,513,315	11,338,209
Amortisation				
1 January 2016	-	3,870,839	1,080,829	4,951,668
Exchange differences	-	630,291	-	630,291
Imapirment charge for year	5,756,250	-	-	5,756,250
31 December 2016	5,756,250	4,501,130	1,080,829	11,338,209
Carrying value				
31 December 2016	-	-	432,486	432,486

The primary intangible assets are all internally generated.

For the purpose of impairment testing of intangible assets, recoverable amounts have been determined based upon the value in use of the Group's three projects.

Notes to the interim financial information

Rivara gas storage facility

The Group holds a 100% interest in Rivara Gas Storage srl. Intangible assets include an amount of £5,756,000 with respect to project expenditure. The regional council, Regione Emilia Romagna, where the project is located is currently denying authorisation for project development. However, authorisation has been granted by the national government. As a result, Rivara Gas Storage srl has appealed against this decision to the Emilia Romagna Bologna Administrative Court.

Whilst the Group has obtained third party legal opinions regarding the appeal and believe that they would be successful in their appeal it has been decided, for strategic reasons, to close its Italian operations and therefore this asset has been impaired in full during the year to 31 December 2016.

6. Investments in equity-accounted joint ventures

	30 June 2017 £	30 June 2016 £	31 December 2016 £
Cost	294,891	294,891	294,891
Share of post-tax losses of equity accounted joint ventures			
1 January 2017	294,891	156,985	156,985
Share of post-tax losses of equity accounted joint ventures for the period	-	137,906	137,906
30 June 2017	294,891	294,891	294,891
Carrying value at 30 June 2017	-	-	-

During the period, the Group disposed of its 50% interest in Independent Resources (Egypt) Limited to its joint venture partner Nostra Terra Oil & Gas Company plc (the 'buyer') a UK resident company whose shares are traded on the AIM market of the London Stock Exchange.

The terms of the disposal provide for a total consideration of USD $500,000, split into three tranches. A payment of USD $100,000 is due when the Egyptian General Petroleum Corporation approve the registration of any member of the buyer's group as a party to the concession. The balance of the consideration is payable in two tranches triggered upon achievement of two performance milestones, namely production of 800 bopd from the area for 30 consecutive days and production of 1,000 bopd from the area for 30 consecutive days.

7. Share capital

	30 June 2017 £	30 June 2016 £	31 December 2016 £
Issued, called up and fully paid			
361,473,066 ordinary shares of 0.25p			
(June 2016: 1,262,504,294 December 2016: 2,293,479,294 ordinary shares of 0.01p)			
1 January 2017	2,430,612	2,159,247	2,159,247
Equity shares issued	674,307	168,241	271,365
30 June 2017	3,104,919	2,327,488	2,430,612

The holders of 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.

In addition to the 0.25p ordinary shares detailed above, as part of capital reorganisations in 2015 and 2016, 202,591,368 deferred shares with a nominal value of 0.9p and 419,905,876 2016 deferred shares with a nominal value of 0.09p have been created. 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.

During the period warrant holders exercised a total of 1,006,157,250 warrants in order to acquire 0.01p shares at either 0.08p or 0.12p per share.

Notes to the interim financial information

Prior to 22 May 2017 the company issued 3,222,649,508 0.01p shares in addition to warrants exercised.
On 22 May 2017 the company consolidated its shares into 0.25p ordinary shares on the basis of one 0.25p ordinary share per every 25 0.01p ordinary shares.
On 2 June 2017 the company issued 100,570,824 0.25p ordinary shares.

8. Share premium account

	30 June 2017 £	30 June 2016 £	31 December 2016 £
1 January 2017	17,621,763	16,628,623	16,628,623
Premium arising on the issue of equity shares	7,918,921	629,082	1,003,029
Transaction costs	(101,320)	(9,889)	(9,889)
30 June 2017	25,439,364	17,247,816	17,621,763

9. Warrants over ordinary shares

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

Date of Grant	01/01/2017 Number of warrants	Issued/lapsed in period	30/06/2017 Number of warrants	Date from which warrants may be first exercised	Lapse date	Exercise price (pence)
08/05/2015	368,000	(368,000)	-	08/05/2015	28/05/2017	37.5000
08/05/2015	160,000	-	160,000	08/05/2015	28/05/2018	30.0000
27/05/2015	1,580,960	(1,580,960)	-	27/05/2015	28/05/2017	37.5000
16/11/2015	3,533,333	-	3,533,333	16/11/2015	18/11/2017	25.0000
26/09/2016	1,800,000	-	1,800,000	26/09/2016	18/11/2017	25.0000
16/11/2015	240,000	-	240,000	16/11/2015	18/11/2018	18.0000
09/12/2016	38,329,800	(37,163,134)	1,166,666	09/12/2016	09/12/2018	3.0000
09/12/2016	1,916,490	(1,916,490)	-	09/12/2016	09/12/2018	2.0000
27/06/2017	-	2,400,000	2,400,000	27/06/2017	09/03/2022	1.6250
09/03/2017	-	2,123,136	2,123,136	09/03/2017	09/03/2022	3.0000
22/05/2017	-	40,303,325	40,303,325	25/05/2017	09/03/2022	3.0000
20/04/2017	-	22,112,000	22,112,000	20/04/2017	09/03/2022	3.0000
22/05/2017	-	218,785,185	218,785,185	22/05/2017	22/05/2022	15.1875

A charge to the profit and loss account has been taken in compliance with IFRS2 in respect of the fair value of warrants issued to brokers in relation to fundraising services provided as set out below:

10. Loans due in over year

	30 June 2017 £	30 June 2016 £	31 December 2016 £
	9,416,280	-	-
5 year secured bonds	829,359	-	-
Other loans	10,245,359	-	-

On 22 May 2017 the Company announced that Greenbury S.A. ("Greenbury") had subscribed for a 5-year non-amortising secured bonds with an aggregate issue value of approximately £16 million (the "Bonds"). Alongside the Bonds, the company issued 169,402,469 warrants on a past consolidation basis 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 term of the Bonds, to Greenbury (the "Warrants"). The Bonds are secured over the share capital of Echo Energy Holdings UK Ltd. The Bonds have an 8% coupon and were issued at a 20% discount to par value, A total cash fee of approximately £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 of % for the 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 5-year secured Bonds are due in May 2022.

Notes to the interim financial information

11. Discontinued operations

Following the relaunch in March 2017, a strategic review of the existing assets was undertaken. Specifically, and as a result of the Company's stated agreement to avoid conflict of interest between Echo Energy plc and its officers and Sound Energy plc and its officers, which includes Echo exiting its Italian business, the directors have decided to terminate and exit all activities in Italy. The Italian interests have therefore been classified as discontinued.

On the 15th of June 2017, the Company announced it had entered into an agreement to sell its 25% effective working interest in its Egyptian East Ghazalat licence to its Joint Venture partner, Nostra Terra Oil & Gas plc (the buyer). The sale was for a total consideration of USD $500,000, split into three tranches. A payment of USD $100,000 is due when the Egyptian General Petroleum Corporation approves the registration of any member of the buyer's Group as a party to the concession. The balance of the consideration is payable in two tranches triggered upon achievement of two performance milestones, namely production of 800 bopd from the area for 30 consecutive days and production of 1,000 bopd from the area for 30 consecutive days.

The consideration is payable in either cash or shares. Where the consideration is shares, the quantity of shares issued shall be determined by dividing the relevant consideration by the lower of: (i) the mid-market closing price of the buyer shares as traded on AIM on the dealing day prior to the date of this Agreement; and (ii) the mid-market closing price of the buyer shares as traded on AIM on the dealing day prior to the date upon which the relevant Consideration is payable.

The results of the Italian and Egyptian operations, incorporating consolidation adjustments, are presented below:

	30 June 2017 £	30 June 2016 £	31 December 2016 £
Revenue	-	-	-
Administrative expenses	-	(15,538)	(5,770,580)
Operating loss before impairment	-	(15,538)	(5,770,580)
Impairment of the Investment in joint venture assets	(24,759)	(137,906)	-
Impairment of goodwill arising on acquisition of Independent Energy Solutions srl - consolidation adjustment	-	-	-
Operating loss after impairment	(24,759)	(153,444)	(5,770,580)
Financial income	-	45,200	3,259
Financial expense	-	41,7489	-
Share of post-tax losses of equity accounted joint ventures	-	-	(137,906)
Loss on ordinary activities before taxation	(24,759)	(149,992)	(5,905,227)
Taxation	-	-	-
Loss for the year from discontinued operations	(24,759)	(149,992)	(5,905,227)

Notes to the interim financial information

The major classes of assets and liabilities of Italian operations classified as held for distribution to equity holders of the parent as at 31 December 2016 are as follows:

	30 June 2017 £	30 June 2016 £	31 December 2016 £
Assets			
Intangible assets - fully impaired	-	-	-
Property, plant and equipment	-	9	-
Work in progress on Approved Projects	-	5,574,375	-
Other receivables	89,042	99,643	86,686
Cash and cash equivalents	2,766	6,834	2,685
Assets held for distribution	91,808	5,680,861	89,371
Liabilities			
Trade and other payables	-	(2,559)	-
Other and social security	(824)	-	-
Accurals	(11,040)	(44,844)	(11,548)
Liabilities directly associated with the assets held for distribution	(11,864)	(47,403)	(11,548)
Net assets directly associated with disposal group	79,944	5,633,458	77,823

The net cash flows incurred by Italian operations are as follows:

	Six months to 30 June 2017 £	Six months to 30 June 2016 £	Year to December 2016 £
Operating	81	(1,238)	(1,958)
Investing	-	-	-
Financing	-	-	-
Net cash (outflow)/inflow	81	(1,238)	(1,958)

Loss per share (pence)

	Six months to 30 June 2017 £	Six months to 30 June 2016 £	Year to December 2016 £
Liabilities directly associated with the assets held for distribution	(0.0)	(0.7)	(15.2)
Liabilities directly associated with the assets held for distribution	(0.0)	(0.7)	(15.2)

Immediately before the classification of Italian operations as discontinued operations, the recoverable amount was estimated for certain items of property, plant and equipment and no impairment was identified. No adjustment has been made to reduce the carrying amount of the assets in the disposal group to their fair value less costs to distribute.

Immediately before the classification of Italian operations as discontinued operations, the recoverable amount was estimated for the operations's intangible assets and these were impaired in full.

12. Events arising after the reporting period

On the 5th July 2017 Echo announced the appointment of Fiona Macaulay as Chief Executive Officer and Director of the Company. Fiona has over 30 years of experience in the oil and gas industry, most recently as Chief Operating Officer and Technical Director of Rockhopper Exploration plc.

Notes to the interim financial information

12. Events arising after the reporting period

On the 26th of July 2017, the Company announced the signature of a Technical Evaluation Agreement (TEA) for the Rio Salado Block, onshore Bolivia. The TEA between the Company, Pluspetrol and YPFB (Yacimientos Petrolíferos Fiscales Bolivianos) was signed on 25 July 2017 at the YPFB 2017 Gas & Oil Congress in Santa Cruz, Bolivia. This agreement will enable the companies to progress a technical evaluation of the block over the next 12 months. On completion of the Technical Evaluation the companies will have the opportunity to negotiate a commercial agreement with YPFB which would define a work programme and is likely to include the drilling of an exploration well.

The Rio Salado Block, which surrounds the Huyaco Block, contains an extension of the structure previously identified by the Company. As a result, the Company's seismic reprocessing programme for the Huayco Block will now be extended to incorporate additional data over the Rio Salado acreage for a minimal incremental cost over the greater Huayco area.

The acquisition of an interest by Echo Energy in Rio Salado remains contingent on final commercial terms being agreed and accordingly the Company does not have an interest or the right to acquire any interest at this stage during the non-exclusive evaluation period.

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