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Echo Energy PLC
30 September 2022

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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 2022.

H1 2022 Highlights:

- Revenue increase of 6% to US$6.2 million in H1 2022 (H1 2021: US$5.9 million)
- Secured new gas contracts for 2022-2023 significantly above the 2021 annual pricing
- Total net aggregate H1 2022 production of 261,290 boe, including 48,600 bbls of oil and condensate and 1,280 MMscf of gas
- Continued to prioritise production opportunities with swift payback, a key component of the Group's overarching growth strategy

Post Period-End Highlights

- Agreement by the Santa Cruz Sur partners to a production and infrastructure enhancement plan to materially increase Santa Cruz Sur production by c.40% above average H1 2022 production levels
- Post period fundraising and conditional debt restructuring

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Certain of the information communicated within this announcement is deemed to constitute inside information for the purposes of Article 7 of EU Regulation 596/2014 (as amended), which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018. 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

In the six months ended 30 June 2022, despite a number of legacy challenges resulting from the pandemic, the Company has taken clear steps forward, underpinned by considerable operational and commercial progress. Echo has continued to bolster its financial foundations, facilitating the development of cashflow enhancing rapid return production opportunities, which remains a a key component of the Group's long-term growth strategy.

The successful negotiation of the new premium priced gas sales agreements, coming into effect in May 2022, are expected to underpin significantly increased gas revenues from the Santa Cruz Sur asset base. The additional cashflows which will be delivered from the Santa Cruz Sur Enhancement Plan announced post period-end will enable the Company to broaden the scope of choices available to bring additional reserves and resources into production from the many opportunities the portfolio presents.

Amid the current favourable macro environment and with the potential debt restructuring on the horizon, Echo remains well-placed to evolve its existing portfolio. Whilst the Santa Cruz Sur assets remain a strategic priority, Echo is also pursuing additional business development opportunities across the full energy spectrum in Latin America, aimed at enhancing the Company's reputation as a leading sector player in the wider region.

Progress on Production

Echo is highly focused on delivering near term production increases following the prudent financial stabilisation of the business across 2020 and 2021, and the normalisation of operating and trading conditions, albeit against a strong commodity price backdrop, across the energy sector as the impact of the Covid-19 pandemic continues to ease.

In April 2022, the compressor at the Santa Cruz Sur assets was successfully upgraded, and important maintenance was performed whilst the Oceano field was temporarily shut-in. This was a significant and planned operational milestone and the programme has delivered on its target of substantially increasing production from the Santa Cruz Sur assets since the compressor was brought back online, with the full impact expected to be seen in future production figures. Post period additional work at a number of fields has been undertaken to improve power generation capacity as part of the production enhancement plan, and these efforts continue.

Production over H1 2022 has continued to remain strong and reached an aggregate of 261,290 boe net to Echo during the period, including 48,600 bbls of oil and condensate and 1,280 MMscf of gas. Concurrently, net liquids production in Q2 2022 averaged 272 bopd, an increase over Q1 levels (Q1 2022: 265 bopd) despite the 35-day maintenance and upgrade programme on the Oceano field during the quarter.

Net gas production averaged 6.8 MMscf/d during Q2 2022 (Q1 2022: 7.4 MMscf/d), with Q2 2022 production again impacted as a result of the Oceano field production being brought temporarily offline.

Successful Execution of Sales Contracts at Premium Prices

In May 2022, Echo extended its customer footprint, securing two new gas sales contracts ("the Contracts") at significant premiums to 2021 contracted rates. The Contracts reflect the strong competition amongst customers to secure gas supplies from the Company for the coming year.

Alongside providing the Group with further sales options and flexibility as Echo focuses on increasing competition and prices for specific products, the Contracts demonstrate the continued implementation of the Company's strategy to leverage the strong upswing in global commodity prices whilst seeking to underpin gas sales from Santa Cruz Sur under secure long-term supply agreements where appropriate.

The Contracts have a term of 12 months, with gas sales under the Contracts beginning in May 2022, and provide for a 65% increase in pricing over average annual contract pricing previously achieved by the Company in March 2021 and a 116% increase on the current summer pricing until end April 2022 under those same March 2021 contracts. Only 2 months of the higher gas revenues under the new contracts is reflected in the interim accounts for the 6 months to 30 June, however, they now create a much more positive outlook for revenue growth in the next 12 month period.

Financial

The Group posted a Gross Loss of US $1.0 million for the six month period ended June 2020 compared to a profit of US $0.4 million for the comparable period in 2021. Growing production costs are attributable to general inflationary increases and additional expenditure required to get operations back to a more normal environment following the pandemic.

Total revenue for the period was US $6.2 million (H1 2020: US $ 5.9 million), and comprised of US $2.5 million of Oil sales and US $3.7 million of Gas sales.

Financial income of US $2.2 million and was almost entirely the net foreign exchange gains. Finance expense of US $1.8 million for H1 2022 (H1 2020: US $ 3.3 million) and comprised primarily of US $1.3 million unwinding of discount on long term loans..

Total comprehensive loss for the Group for the 6 month period ending 30 June 2022 was US $2.0 million (H1 2020: US $ 1.5 million)

The Company's cash balance as at 30 June 2022 was US $1.3 million, compared to $0.7 million balance as at 31 December 2021.

Post Period-End Highlights

Post period-end, the Group has continued to build on the positive momentum generated in H1 2022 following the agreement of new gas sales contracts, focusing on proving up the Santa Cruz Sur assets which provide Echo with material production and revenues from a strong reserves base as well as the potential for exciting higher impact projects.

In July 2022, the Santa Cruz Sur joint venture partners agreed to a detailed plan to materially increase production at Santa Cruz Sur by approximately 40% from the levels previously achieved over H1 2022, as well as to improve the quality of sales liquids from the Santa Cruz Sur assets (the "Enhancement Plan"). If achieved, the Enhancement Plan would increase total daily production from Santa Cruz Sur to around 2,000 boepd, net to Echo's 70% interest in Santa Cruz Sur.

This Enhancement Plan is the agreed next step for production growth from Santa Cruz Sur and is focused on low-risk infrastructure upgrades to sustain the increased production from existing well stock.

Echo successfully installed all three additional power generation units on schedule in the respective fields over August 2022, a key pillar of the Enhancement Plan, with the unit installed in the larger Cerro Molino Oeste field commissioned and available to support existing and future production levels. The Group is planning on delivering upgrades to the workover rig owned by the Santa Cruz joint venture, including an overhaul of the hydraulic system and the blowout preventer stack.

Conditional Debt Restructuring and Fundraising

On 12 August 2022, the Company announced the conditional conversion of an aggregate of €15.0 million of existing debt principal, together with accrued interest thereon, into new Ordinary Shares - the significant majority of which is proposed to be converted into new Ordinary Shares at a price of 0.45p. In doing so, the Company also confirmed that it would be proposing a conditional reduction of the coupon on the remaining €10.0 million of Euro Note debt (the "Notes") from 8% to 2% with suspension of further cash interest payments for two years and an extension on maturity on the remaining Notes to 2032.

The Company subsequently announced publication of its proposals to restructure the Notes on 5 September 2022. The debt restructuring remains conditional on both the approval of the holders of the Note and on the approval of the Company's shareholders. The changes are aimed at comprehensively restructuring and strengthening the Company's balance sheet and accelerating growth.

On 14 August 2022, the Company was also pleased to confirm that it had successfully raised £600,000 (before expenses) pursuant to a placing of new ordinary shares. The net proceeds of this placing provided the Group with additional resources to fund working capital, including expenses related to the proposed debt restructuring, and enable operating cashflows in Argentina to be focused on activities in country in the near term, including the plan to increase production by c. 40% over approximately the next six months.

Outlook

H1 2022 was a productive period for the Group, as we consolidated our asset base in Latin America with significant long term commercial agreements and continued solid output from key licences.

Against the backdrop of strong global commodity prices, the Company has delivered on its key aspirations for the period, accelerating its strategy to deliver organic growth from the Santa Cruz Sur assets, which present material low-risk production upside and has the potential to providing potential additional benefits to all stakeholders.

Looking ahead, management is confident of the Group's growth prospects as we continue to unlock the potential of Santa Cruz Sur, identify further commercial opportunities, and strive to deliver the important conditional debt restructuring announced in August this year.

James Parsons
Hull
Chairman

Martin
Chief Executive Office

Consolidated Statement of Comprehensive Income

Period ended 30 June 2022

	Notes	**Unaudited 1 January 2022 30 June 2022 US $**	Unaudited 1 January 2021 30 June 2021 US $	Audited Year to 31 December 2021 US $
Continuing operations				
Revenue	3	**6,230,288**	5,891,413	11,124,487
Cost of sales	4	**(7,256,796)**	(5,497,993)	(15,147,779)
Gross (loss)/profit		**(1,026,508)**	393,420	(4,023,292)
Exploration expenses		**(143,545)**	(45,807)	(205,651)
Administrative expenses		**(1,125,073)**	(1,492,010)	(2,965,548)
Operating loss		**(2,295,126)**	(1,537,817)	(7,194,491)
Financial income	5	**2,161,898**	3,140,024	4,355,334
Financial expense	6	**(1,834,643)**	(3,287,229)	(8,993,432)
Derivative financial gain/ (loss)	7	**-**	17,575	62,477
Loss before tax		**(1,967,871)**	(1,274,027)	(11,770,112)
Taxation	8			
Loss from continuing operations		**(1,967,871)**	(1,274,027)	(11,770,112)
Loss for the period			(1,274,027)	(11,770,112)
Other comprehensive income:				
Exchange difference on translating foreign operations		**26,834**	(177,930)	211,820
Total comprehensive loss for the period		**(1,941,036)**	(1,451,957)	(11,558,292)
Loss attributable to: Owners of the parent		**(1,941,036)**	(1,451,957)	(11,558,292)
Total comprehensive loss attributable to: Owners of the parent		**(1,941,036)**	(1,451,957)	(11,558,292)
Loss per share (cents)	9			
Basic		**(0.14)**	(0.10)	(0.93)
Diluted		**(0.14)**	(0.10)	(0.93)
Loss per share (cents) for continuing operations				
Basic		**(0.14)**	(0.10)	(0.93)
Diluted		**(0.14)**	(0.10)	(0.93)

The notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

Period ended 30 June 2022

Unaudited 1 January 2022 30 June 2022	Unaudited 1 January 2021 30 June 2021	Audited Year to

	Notes	**US $**	US $	31 December 2021 US $
Non-current assets				
Property, plant and equipment	10	**2,668,770**	2,516,805	2,674,405
Other intangibles	11	**6,662,805**	7,773,210	7,131,907
		9,331,575	10,290,015	9,806,312
Current Assets				
Inventories		**1,415,225**	438,014	1,365,225
Other receivables		**3,566,742**	5,846,670	2,108,438
Cash and cash equivalents	12	**1,314,969**	945,488	742,339
		6,296,936	7,230,172	4,216,002
Current Liabilities				
Trade and other payables		**(19,511,235)**	(10,075,368)	(16,023,500)
Derivatives and other liabilities		**-**	(44,885)	-
		(19,511,235)	(10,120,253)	(16,023,500)
Net current assets		**(13,214,299)**	(2,890,081)	(11,807,498)
Total assets less current liabilities		**(3,882,724)**	7,399,934	(2,001,186)
Non-current liabilities				
Loans due in over one year	15	**(28,031,316)**	(28,162,903)	(28,768,380)
Provisions		**(3,039,911)**	(2,959,976)	(3,039,911)
		(31,071,227)	(31,122,879)	(31,808,291)
Total Liabilities		**(50,582,462)**	(41,243,132)	(47,831,791)
Net Assets		**(34,953,951)**	(23,722,945)	(33,809,477)
Equity attributable to equity holders of the parent				
Share capital	13	**7,686,151**	7,135,082	7,209,086
Share premium	14	**64,884,556**	64,748,942	64,977,243
Warrant reserve		**12,589,970**	12,188,032	12,177,786
Share option reserve		**1,522,499**	1,570,827	1,522,499
Foreign currency translation reserve		**(3,504,752)**	(3,141,836)	(3,531,587)
Retained earnings		**(118,132,375)**	(106,223,992)	(116,164,504)
Total Equity		**(34,953,951)**	(23,722,945)	(33,809,477)

The notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Period ended 30 June 2022

	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 2022	**(116,164,504)**	**7,209,086**	**64,977,243**	**12,177,786**	**1,522,499**	**(3,531,587)**	**(33,809,477)**
Loss for the period	**(1,967,871)**	**-**	**-**	**-**	**-**	**-**	**(1,967,871)**
Exchange Reserve	**-**	**-**	**-**	**-**	**-**	**26,835**	**26,835**
Total comprehensive loss for the period	**(1,967,871)**	**-**	**-**	**-**	**-**	**26,835**	**(1,941,036)**
Warrants issued	**-**	**433,696**	**400,735**	**-**	**-**	**-**	**834,431**
Warrants exercised	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share issue	**-**	**-**	**(412,184)**	**412,184**	**-**	**-**	**-**
Transaction costs	**-**	**43,369**	**(81,238)**	**-**	**-**	**-**	**(37,869)**
30 June 2022	**(118,132,375)**	**7,686,152**	**64,884,556**	**12,589,970**	**1,522,499**	**(3,504,752)**	**(34,953,951)**
1 January 2021	(104,772,035)	6,288,019	64,961,905	11,373,966	1,417,285	(3,319,767)	(24,050,627)
Loss for the period	(1,274,027)	-	-	-	-	-	(1,274,027)
Exchange Reserve	(177,930)	-	-	-	-	177,930	-
Total comprehensive loss for the period	(1,451,957)	-	-	-	-	177,930	(1,274,027)
Warrants issued	-		(814,066)	814,066	-	-	-
Warrants exercised	-	274,803	86,122	-	-	-	360,925
Share issue	-	572,260	595,153	-	-	-	1,167,413
Transaction Costs			(80,171)	-	-	-	(80,171)
Share options lapsed	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	153,542	-	153,542
30 June 2021	(106,223,992)	7,135,082	64,748,943	12,188,032	1,570,827	(3,141,837)	(23,722,925)
1 January 2021	(104,772,035)	6,288,019	64,961,905	11,373,966	1,417,285	(3,319,767)	(24,050,627)
Loss for the year	(11,558,292)						(11,558,292)

Exchange Reserve						(211,820)	(211,820)
Total comprehensive loss for the year	(11,558,292)	0	0	0	0	(211,820)	(11,770,112)
New shares issued	-	646,265	813,207	-	-	-	1,459,472
Warrants	-	274,803	105,484	(19,362)	-	-	360,925
Warrants exercised	-	-	(823,182)	823,182	-	-	-
Share issue costs	-	-	(80,171)	-	-	-	(80,171)
Share options lapsed	165,824	-	-	-	(165,824)	-	-
Share-based payments	-	-	-	-	271,038	-	271,038
31 December 2021	(116,164,504)	7,209,086	64,977,243	12,177,786	1,522,499	(3,531,587)	(33,809,477)

The notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Period ended 30 June 2022

	Unaudited 1 January 2022 30 June 2022 US $	Unaudited 1 January 2021 30 June 2021 US $	Year to 31 December 2021 US $
Cash flows from operating activities			
Loss from continuing operations	**(1,967,871)**	(1,274,027)	(11,770,112)
	(1,967,871)	(1,274,027)	(11,770,112)
Adjustments for:			
Depreciation and depletion of property, plant and equipment	**8,449**	35,887	127,656
Depreciation and depletion of intangible assets	**503,706**	738,412	1,498,431
(Gain)/Loss on disposal of property, plant and equipment	**-**	-	1,858
Share-based payments	**-**	153,542	271,038
Financial income	**(2,161,898)**	(3,140,024)	(4,355,334)
Financial expense	**1,834,643**	3,287,229	8,993,432
Exchange difference	**(171,072)**	(1,656,272)	(5,612,490)
Derivative financial gain	**-**	(17,575)	(62,477)
	13,828	(598,801)	862,114
Decrease/(Increase) in inventory	**(50,000)**	103,215	(823,995)
Decrease/(Increase) in other receivables	**657,790**	1,700,723	5,120,825
(Decrease)/increase in trade and other payables	**1,371,642**	(1,020,415)	5,072,974
	1,979,432	783,523	9,369,804
Net cash used in operating activities	**25,389**	(1,089,305)	(1,538,194)
Cash flows from investing activities			
Purchase of intangible assets	**(34,604)**	-	(118,716)
Purchase of property, plant and equipment	**(2,813)**	-	(251,226)
Net cash used in investing activities	**(37,417)**		(369,942)
Cash flows from financing activities			
Interest received	**26**	166,820	249,351
Bank Fees and other finance cost	**(42,276)**	(63,136)	(169,991)
Issue of share capital	**834,430**	958,513	1,459,472
Share issue costs	**(37,867)**	(80,171)	(80,171)
Warrant exercise	**-**	360,925	360,925
Net cash from financing activities	**754,313**	1,342,951	1,819,586
Net (decrease)/increase in cash and cash equivalents	**742,286**	253,646	(88,550)
Cash and cash equivalents at the beginning of the period	**742,339**	682,159	682,159
Foreign Excahnge gains(losses) on cash and cash equivalents	**(169,655)**	9,683	148,730
Cash and cash equivalents at the end of the period	**1,314,969**	945,488	742,339

The notes form an integral part of these financial statements.

Notes to the Financial Statements

Period ended 30 June 2022

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 2022 to 30 June 2022 have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting, 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 2021 and are expected to be applied for the year ended 31 December 2022.

The comparatives shown are for the period 1 January 2021 to 30 June 2021, and 31 December 2021 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 2021.

A copy of the Company's statutory accounts for the year ended 31 December 2021 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 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.

Despite the consolidated statement of financial position showing a negative net asset position at 30 June 2022, the outlook for the Group has materially changed.

2022 continues to be a year of financial stabilisation, progress and improvement, particularly driven by a marked increase in energy commodity prices, following the worst impacts of the COVID 19 pandemic in 2020. The successful restructuring of all the Company's loans during 2021 and post period in 2022 means that minimal cash servicing of these loans is required during 2022 materially improving the cashflow outlook and enabling greater investment on increasing production levels further improving revenues. Post period the improvement has continued. The Company has executed new gas sales agreements for the majority of its gas production. Average Gas prices in July 2022 are US$4.53 (mmbtu) and Liquids (m3) sell at US$51 in July 2022.

Agreements with customers allowing for a prepayment receipt of $1.6m in April 2022, in combination with a revenue increase in cash receipts from June 2022 has alleviated the immediate creditor concern in Argentina, whilst the additional share offering has raised further funds in the UK.

However, financial challenges remain ahead for the Company as it emerges and recovers from the impact of the covid pandemic and whilst the Company forecast the SCS assets to be cashflow positive at prevailing oil and gas price levels in the long term, there is still a short term requirement for additional funding through debt financing, 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 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 financial statements.

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 2021. 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. Corporate and Administrative

b. Santa Cruz Sur

c. 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:

	Corporate & Administrative	Santa Cruz Sur	Bolivia	Total
	US $	US $	US $	US $
Period to 30 June 2022				
Revenues	86	6,230,201	-	6,230,288
Cost of sales		(7,256,796)	-	(7,256,796)
Exploration expense	(143,545)	-	-	(143,545)
Administration expense	(737,067)	(372,609)	(15,396)	(1,125,073)
Financial income	2,161,872	26	-	2,161,898
Financial expense	(1,363,845)	(470,525)	(272)	(1,834,643)
Depreciation	(4,445)	(4,004)	-	(8,449)
Income tax				
Loss before tax	(82,500)	(1,869,704)	(15,668)	(1,967,871)
Non-current assets	1,902,102	7,980,917	(551,445)	9,331,575
Assets	2,072,637	14,040,306	(484,432)	15,628,511
Liabilities	(28,685,308)	(21,874,676)	(22,477)	(50,582,462)

	Parent Company US $	Santa Cruz Sur US $	Tapi Aike US $	Bolivia US $	Consolidation US $	Total US $	Corpora Administra
Period to 30 June 2021							
Revenues							
Cost of sales							
Exploration expense							(45
Administration expense							(1,332
Impairment of intangible assets							
Impairment of property, plant and equipment							
Financial income							2,89
Financial expense							(1,823
Depreciation							1
Income tax							
Loss before tax							(285
Non-current assets							28,79
Assets							28,94
Liabilities							(28,816

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 2022			
Property, plant and equipment	**1**	**2,668,769**	**2,668,770**
Other intangible assets	**480,189**	**6,182,616**	**6,662,805**
30 June 2021			
Property, plant and equipment	**2,457**	**2,514,348**	**2,516,805**
Other intangible assets	**326,869**	**7,446,341**	**7,773,210**

3. Revenue

	Unaudited 1 January 2022 - 30 June 2022	Unaudited 1 January 2021 - 30 June 2021	Audited Year to 31 December 2020

	US $	US $	US $
Oil revenue	**2,514,419**	2,024,421	4,060,802
Gas revenue	**3,715,668**	3,833,857	7,036,861
Other Income	**201**	33,135	26,824
Total Revenue	**6,230,288**	5,891,413	11,124,487

4. Cost of Sales

	Unaudited 1 January 2022 - 30 June 2022 US $	Unaudited 1 January 2021 - 30 June 2021 US $	Audited Year to 31 December 2021 US $
Production costs	**5,870,851**	3,794,486	12,024,454
Selling and distribution costs	**928,235**	863,065	1,684,320
Movement in stock of crude oil	**(50,000)**	72,239	(181,274)
Depletion	**507,710**	768,203	1,620,279
Total Costs	**7,256,796**	5,497,993	15,147,779

5. Finance Income

	Period to 30 June 2022 US $	Period to 30 June 2021 US$	Year to 31 December 2021 US $
Interest income	**340**	241,716	249,351
Net foreign exchange gains	**2,161,558**	2,898,308	4,105,983
Total	**2,161,898**	3,140,024	4,355,334

6. Financial Expense

	Period to 30 June 2022 US $	Period to 30 June 2021 US$	Year to 31 December 2021 US $
Interest payable	**227**	11,912	11,912
Net foreign exchange losses	**432,660**	1,242,035	5,122,810
Unwinding of discount on long term loan	**1,272,735**	1,691,248	3,394,647
Amortisation of loan fees	**86,745**	119,526	234,101
Unwinding of abandonment provision	**-**	19,980	59,955
Bank fees and overseas transaction taxes	**42,276**	202,528	170,007
Total	**1,834,643**	**3,287,229**	8,993,432

7. Derivative Financial Gain/Loss

	Period to 30 June 2022 US $	Period to 30 June 2021 US $	Year to 31 December 2021 US $
Fair value gain	**-**	17,575	62,477
Total	**-**	17,575	62,477

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

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 2022, or in the six months period to June 2021, or the year to 31 December 2021.

9. Loss Per Share

The calculation of basic and diluted loss per share at 30 June 2021 was based on the loss attributable to ordinary shareholders. The weighted average number of ordinary shares outstanding during the period ending 30 June 2021 and the effect of the potentially dilutive ordinary shares to be issued are shown below.

	Period to 30 June 2022	Period to 30 June 2021	Year to 31 December 2021
Net loss for the year (US $)	**(1,967,871)**	(1,274,027)	(11,770,112)
Basic weighted average ordinary shares in issue during the year	**1,440,666,214**	1,236,231,219	1,270,891,563

Diluted weighted average ordinary shares in issue during the year	**1,440,666,214**	1,236,231,219	1,270,891,563
Loss per share (cents)			
Basic	**(0.14)**	(0.10)	(0.93)
Diluted	**(0.14)**	(0.10)	(0.93)

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 $	Fixtures & Fittings US $	Total US $
30 JUNE 2022			
Cost			
1 January 2022	**2,873,147**	**95,397**	**2,968,544**
Additions	**-**	**2,813**	**2,813**
Disposals	**-**	**-**	**-**
30 June 2022	**2,873,147**	**98,210**	**2,971,357**
Depreciation			
1 January 2022	**202,718**	**91,421**	**294,139**
Charge for the period	**4,004**	**4,445**	**8,449**
Disposals	**-**	**-**	**-**
30 June 2022	**206,722**	**95,866**	**302,588**
Carrying amount			
30 June 2022	**2,666,425**	**2,344**	**2,668,769**
30 JUNE 2021			
Cost			
1 January 2021	2,621,921	97,254	2,719,175
Additions	-	-	-
Disposals	-	-	-
30 June 2021	2,621,921	97,254	2,719,175
Depreciation			
1 January 2021	79,941	86,542	166,483
Charge for the period	29,790	6,097	35,887
Disposals	-	-	-
30 June 2021	109,731	92,639	202,370
Carrying amount			
30 June 2021	2,512,190	4,615	2,516,805
31 DECEMBER 2021			
Cost			
1 January 2021	2,621,921	97,254	2,719,176
Additions	251,226	-	251,226
Disposals		(1,858)	(1,858)
31 December 2021	2,873,147	95,397	2,968,544
Depreciation			
1 January 2021	79,941	86,542	166,483
Charge for the year	122,777	4,879	127,656
Disposals	-	-	-
31 December 2021	202,718	91,421	294,139
Carrying amount			
31 December 2021	2,541,980	3,976	2,674,405
31 December 2020	975,826	10,713	2,552,693

11. Intangible Assets

	Argentina Exploration & Evaluation US $	Total US $
30 June 2022		
Cost		
1 January 2022	**10,875,022**	**10,875,022**

Additions	**34,604**	**34,604**
Disposals	**-**	**-**
30 June 2022	**10,909,626**	**10,909,626**
Impairment		
1 January 2022	**3,743,115**	**3,743,115**
Depletion	**443,706**	**443,706**
Depreciation decommissioning assets	**60,000**	**60,000**
Impairment charge for the period	**-**	**-**
30 June 2022	**4,246,821**	**4,246,821**
Carrying amount		
30 June 2022	**6,662,805**	**6,662,805**
30 June 2021	7,773,210	7,773,210

30 JUNE 2021		
Cost		
1 January 2021	10,756,306	**10,756,306**
Additions	-	**-**
Disposals	-	**-**
30 June 2021	10,756,306	**10,756,306**
Impairment		
1 January 2021	2,244,684	**2,244,684**
Depletion	415,912	**415,912**
Depreciation decommissioning assets	322,500	**322,500**
Impairment charge for the period	-	**-**
30 June 2021	2,983,096	**2,983,096**
Carrying amount		
30 June 2021	7,773,210	**7,773,210**
30 June 2020	8,511,622	**8,511,622**

31 DECEMBER 2021		
Cost		
1 January 2021	10,756,306	**10,756,306**
Additions	118,716	**118,716**
Disposals	-	**-**
31 December 2021	10,875,022	**10,875,022**
Impairment		
1 January 2021	2,244,684	**2,244,684**
Disposals	-	**-**
Depletion	1,375,931	**1,375,931**
Impairment charge for the year	122,500	**122,500**
31 December 2021	3,743,115	**3,743,115**
Carrying amount		
31 December 2021	7,131,907	**7,131,907**
31 December 2020	8,511,622	**8,511,622**

12. Cash and Cash Equivalents

	Period to 30 June 2022	Period to 30 June 2021	31 December 2021
	US $	US $	US $
Cash held by joint venture partners	**54,604**	190,974	500,719
Cash and cash equivalents	**1,260,365**	754,514	241,620
Total	**1,314,969**	945,488	742,339

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

13. Share Capital

	Period to 30 June 2022	Period to 30 June 2021	31 December 2021
	US $	US $	US $
Issued, Called Up and Fully Paid			
1,452,491,345 0.32¢ (June 2021: 1,298,813,085 0.32¢) ordinary shares			
1 January 2022	**7,209,086**	6,288,019	6,288,019
Equity shares issued	**477,065**	847,063	921,067
30 June / 31 December	**7,686,151**	7,135,082	7,209,086

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.

During the six month period to 30 June 2022, 143,478,260 share were issued.

14. Share Premium Account

	Period to 30 June 2022	Period to 30 June 2021	31 December 2021
	US$	US $	US $
1 January	**64,977,243**	64,961,905	64,961,905
Premium arising on issue of equity shares/warrants	**400,735**	595,153	813,207
Warrants Issued	**(412,184)**	(727,944)	(717,698)
Transaction costs	**(81,238)**	(80,171)	(80,171)
30 June	**64,884,556**	64,748,942	64,977,243

15. Loans (due over 1 year)

	Period to 30 June 2022	Period to 30 June 2021	31 December 2021
Five-year secured bonds	**(20,909,700)**	(20,907,802)	(21,385,663)
Additional net funding	**(5,871,466)**	(5,940,825)	(6,059,126)
Other loans	**(1,250,150)**	(1,452,341)	(1,323,591)
Total	**(28,031,316)**	(28,300,968)	(28,768,380)

	Balance as at 31 December 2021 US $	Amortised finance charges less cash interest paid US $	Repayment of principle US$	Exchange adjustments US $	**30 June 2022 US$**
€20 million five-year secured bonds	21,895,166	1,276,611	-	(1,861,485)	**21,310,292**
€5 million Lombard Odier debt	6,187,142	314,160	-	(523,425)	**5,977,876**
Other loans	1,323,591	69,495	-	(142,936)	**1,250,150**
Loan fees	(509,503)	63,642	-	45,269	**(400,594)**
Incremental loan fees	(128,016)	23,103	-	(1,497)	**(106,410)**
Total	**28,768,380**	**1,747,011**	**-**	**(2,484,075)**	**28,031,316**

16. Subsequent Events

Operational Update

In July 2022, the Santa Cruz Sur joint venture partners agreed to a detailed plan to materially increase production at Santa Cruz Sur by approximately 40% from the levels previously achieved over H1 2022, as well as to improve the quality of sales liquids from the Santa Cruz Sur assets (the "Enhancement Plan"). If achieved, the Enhancement Plan would increase total daily production from Santa Cruz Sur to around 2,000 boepd, net to Echo's 70% interest in Santa Cruz Sur.

This Enhancement Plan is the agreed next step for production growth from Santa Cruz Sur and is focused on low-risk infrastructure upgrades to sustain the increased production from existing well stock.

Echo successfully installed all three additional power generation units on schedule in the respective fields over August 2022, a key pillar of the Enhancement Plan, with the unit installed in the larger Cerro Molino Oeste field commissioned and available to support existing and future production levels. The Group is planning on delivering upgrades to the workover rig owned by the Santa Cruz joint venture, including an overhaul of the hydraulic system and the blowout preventer stack.

Conditional Debt Restructuring and Fundraising

On 12 August 2022, the Company announced the conditional conversion of an aggregate of €15.0 million of existing debt principal, together with accrued interest thereon, into new Ordinary Shares - the significant majority of which is proposed to be converted into new Ordinary Shares at a price of 0.45p. In doing so, the Company also confirmed that it would be proposing a conditional reduction of the coupon on the remaining €10.0 million of Euro Note debt (the "Notes") from 8% to 2% with suspension of further cash interest payments for two years and an extension on maturity on the remaining Notes to 2032.

The Company subsequently announced publication of its proposals to restructure the Notes on 5 September 2022. The debt restructuring remains conditional on both the approval of the holders of the Note and on the approval of the Company's shareholders. The changes are aimed at comprehensively restructuring and strengthening the Company's balance sheet and accelerating growth.

On 14 August 2022, the Company was also pleased to confirm that it had successfully raised £600,000 (before expenses) pursuant to a placing of new ordinary shares. The net proceeds of this placing provided the Group with additional resources to fund working capital, including expenses related to the proposed debt restructuring, and enable operating cashflows in Argentina to be focused on activities in country in the near term, including the plan to increase production by c. 40% over approximately the next six months.