



**A Balanced Energy Portfolio – Accessing the upside**



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# Echo Energy: A LatAm focused energy company

- AIM listed LatAm focused energy company with operations in Argentina, Chile and Bolivia
- Material O&G position with substantial and growing revenue
  - production of **1,555 boepd**
  - Strong Reserves and Resources platform: **2P Reserves of 4.06 MMboe** and 2C Resources of 6.51 Mmboe
- Improved financial position post 2020 oil price crash; successful debt restructuring, **gross profit in H1 2021**, strong cost control
- Opportunity rich Argentina position
- Exciting renewables strategy
- Highly leveraged to commodity price super cycle

## Financial Metrics

Ticker (LSE: AIM)	ECHO
Share price <sup>1</sup>	0.43 pence GBP
Market cap <sup>1</sup>	£5.6 million GBP
Shares in issue	1,309,013,085
Revenue H1 2021	\$5.9 million USD

<sup>1</sup>Share price and market cap on 21<sup>st</sup> Jan 2022

## Operating Metrics

Production concessions	5
Average net daily production <sup>2</sup>	1,555 boepd
Net 1P Reserves <sup>3</sup>	3.13 MMboe
Net 2P Reserves <sup>3</sup>	4.06 MMboe
Net P50 Contingent Resources <sup>3</sup>	6.51 MMboe

<sup>2</sup>Net production 1 Jan 2021 – 31 Dec 2021 <sup>3</sup>Net Reserves and Resources at 31 Dec 2020



## Discussion points

- Renewables strategy & rationale
- Oil & Gas – Accessing the upside
- Leveraging commodity prices



# Renewables strategy & rationale

## ○ Strategy

- Identify 'winning' projects with strong fundamentals
- With the right partners, de-risk and commercialise to maximum potential
- Leverage Echo capabilities, technical, financial, transactional
- Monetise the value created – sell? financial structuring? cashflow generation?

## ○ Why?

- Strong financial return potential
- Uniquely placed – hugely attractive LatAm resource, right scale, relationships & capabilities
- Diversification
- Newsflow
- Complimentary to existing business – cashflow from renewables can fund high return opportunities
- Attract new investors including ESG focused institutions
- Commitment to ESG and energy transition planning

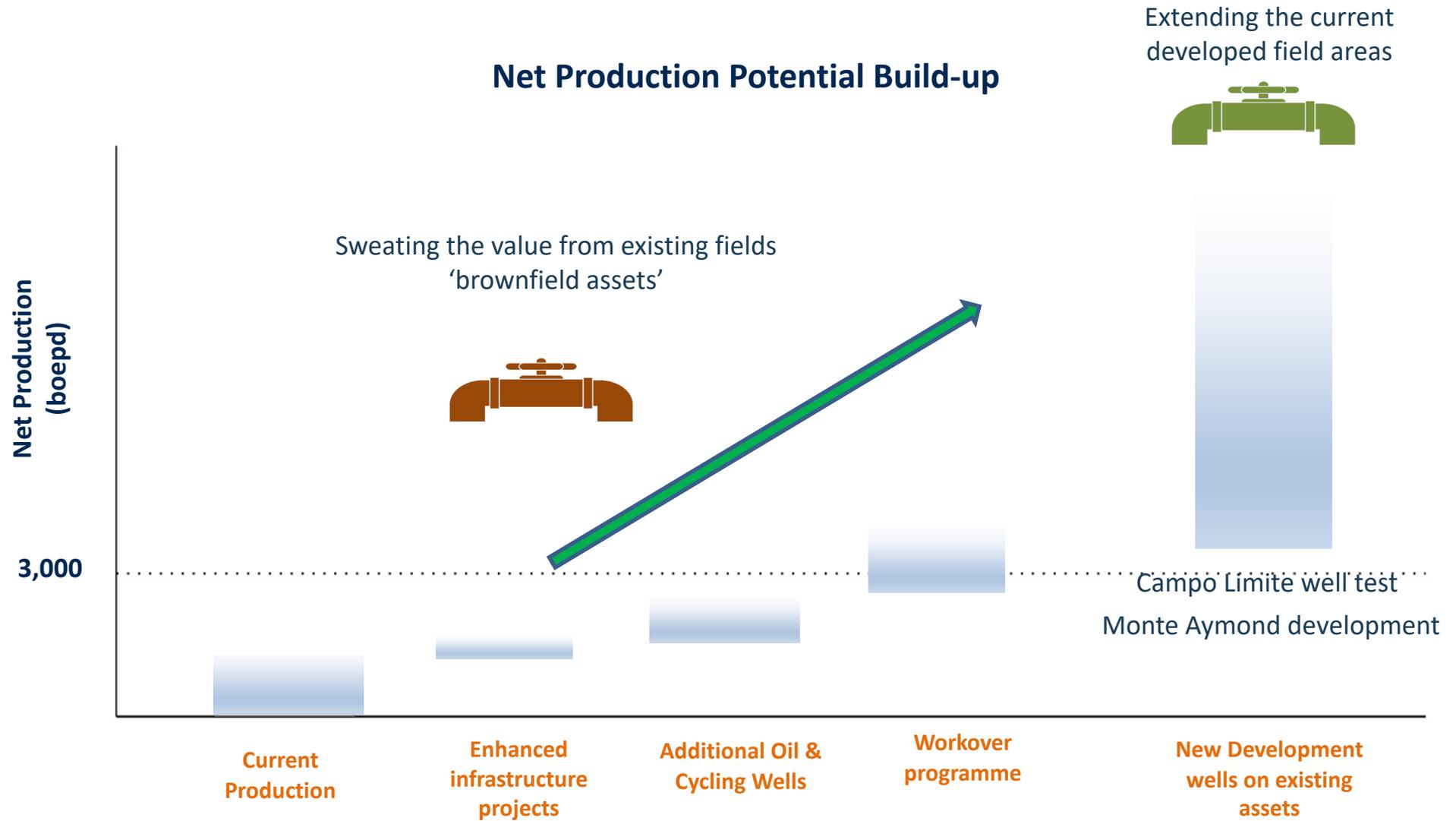


- **Recent transaction represents important first steps**
  - Option NOT a commitment
  - Attractive 3MW high-grade solar project in Chile with ‘sweet spot’ economics
  - Strong local partner
  - Very attractive pricing
    - Acquiring 70% interest at ground floor terms – no acquisition payment
  - Appropriate scale for Echo
- **Funding**
  - Renewables opens funding options not otherwise available
    - Non-recourse or project financing
    - Avoids dilution of equity shareholders
  - Will exercise option only if new funding available on attractive terms

**Renewables strategy strengthens Echo and can enable future profitable growth**



# Asset Vision: Potential of Santa Cruz Sur base business

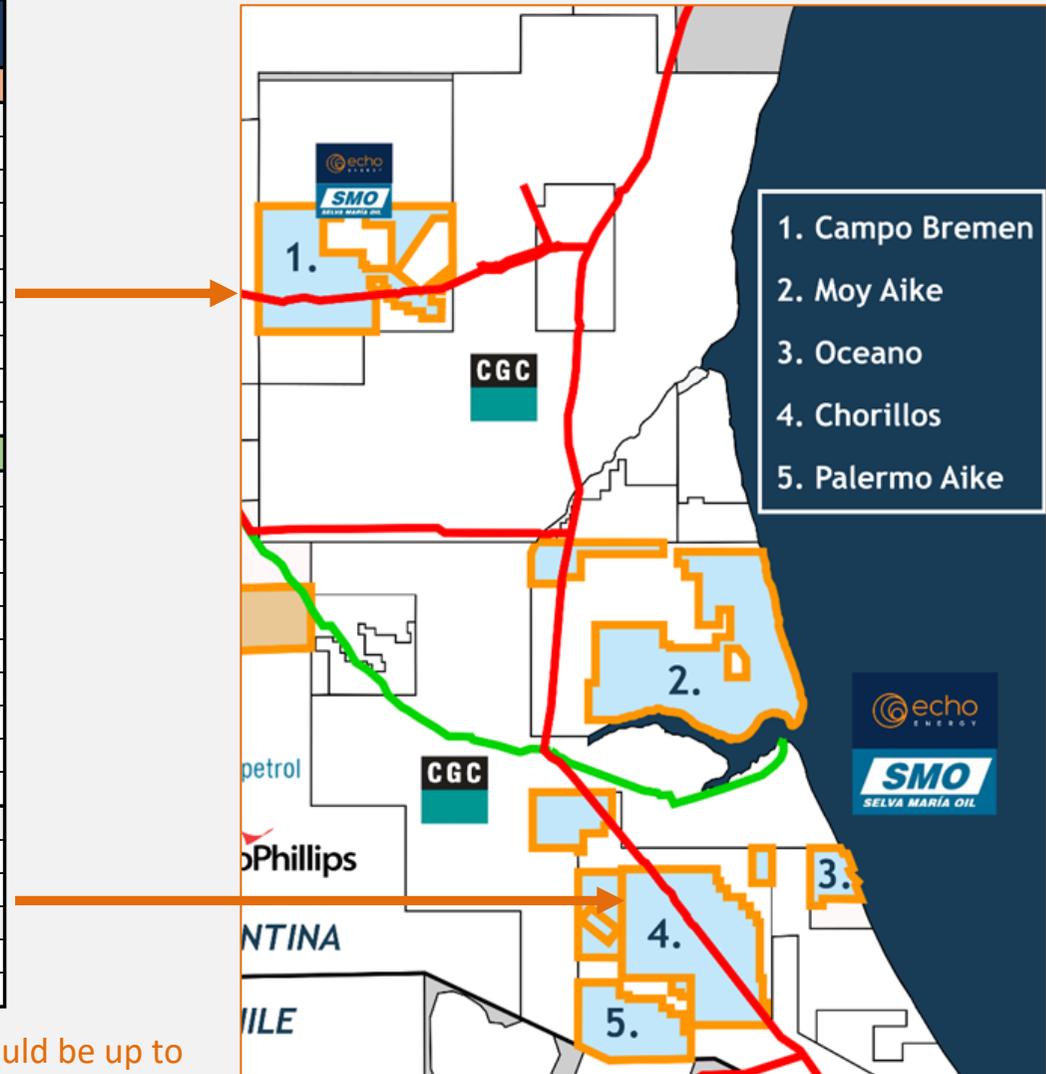


Based on Company estimated reserves and resources as at 31 December 2020 net to Echo's 70% interest



# Intervention programme targeting non-producing proved reserves (Tier 1)

Well	Type	Estimated potential Initial Production Uplift	Capex (kUSD)	Reservoir
<b>CAMPO BREMEN BLOCK</b>				
<b>Campo Bremen</b>				
CBR-4	Workover	2.0 - 2.5 MMscf/d	\$50 - 100k	Tob
<b>Nortero Noreste</b>				
NN x-1	Workover	1.0 - 1.5 MMscf/d	\$400 - \$450k	Spr
<b>Estancia Dos Lagunas</b>				
EDL a-5	Workover	1.0 - 1.5 MMscf/d	\$400 - \$450k	Tob
EDL a-15	Cycling	Up to 0.5 Mmscf/d	\$100 - \$150k	Tob
EDL a-3	Workover	0.5 - 1.0 Mmscf/d	\$400 - \$450k	Tob
EDL a-8	Cycling	Up to 0.5 Mmscf/d	\$100 - \$150k	Tob
EDL-a-6	Cycling	Up to 0.5 Mmscf/d	\$100 - \$150k	Tob
<b>CHORILLOS BLOCK</b>				
<b>Campo Molino</b>				
CMo-8	Cycling	75 - 100 bbls/d	\$100 - \$150k	Spr
CMo-24	Cycling	75 - 100 bbls/d	\$100 - \$150k	Spr
CMo-25	Cycling	25 - 50 bbls/d	\$100 - \$150k	Spr
CMo-31	Workover	Up to 25 bbls/d	\$200 - \$250k	Spr
CMo-7	Cycling	Up to 25 bbls/d	\$100 - \$150k	Spr
CMo-5	Workover	Up to 25 bbls/d	\$200 - \$250k	Spr
CMo-18	Workover	Up to 25 bbls/d	\$200 - \$250k	Spr
CMo-29	Workover	25 - 50 bbls/d	\$200 - \$250k	Spr
CMo-4	Workover	Up to 25 bbls/d	\$400 - \$450k	Spr
<b>Cerro Norte</b>				
CN a-28	Cycling	0.5 - 1.0 MMscf/d	\$100 - \$150k	Spr
CN-33	Cycling	Up to 0.5 Mmscf/d	\$100 - \$150k	Tob
<b>Cerro Norte</b>				
Zu-2	Workover	25 - 50 bbls/d	\$50 - \$100k	Tob
CCv-7	Workover	Up to 25 bbls/d	\$400 - \$450k	Spr



- Potential for initial production uplift from the Tier 1 portfolio could be up to 7.2 MMscf/d (c.1,300 boe/d) for gas & 360 bbls/d for liquids\*<sup>1</sup>
- Portfolio consists of 39 wells divided into three tiers

\*1 well production forecast is unrisks and 100% WI



# Unprecedented volatility and now highs in global energy prices

## ➤ Commodity prices have continued to increase as global economic recovery continues

- Brent benchmark for global oil price has increased by **57%** over the past year
- The upswing in gas prices has outpaced oil; as shown by European gas benchmark increasing in price by **792%** over 2021\*<sup>1</sup>



2021 to 19<sup>th</sup> Jan 2022



- Since the successful auction process for domestic Santa Cruz gas in March 2021, global prices have continued to increase

\*<sup>1</sup> prices at the Dutch Title Transfer Facility trading facility are quoted in euros per megawatt hour. Dutch TTF prices quoted to Dec 21<sup>st</sup> 2021. All data taken from Trading Economics at [www.tradingeconomics.com/commodity](http://www.tradingeconomics.com/commodity)