

Echo Energy PLC

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Echo Energy tipped for new upside as Tapi Aike takes spotlight

Echo Energy PLC (LON:ECHO) could be worth nearly 100% more than current levels as it advances the 'company maker' Tapi Aike exploration prospect in Argentina, that's according to Shore Capital.

Analyst Craig Howie, in a note, highlighted that Echo is presently pressing ahead with an extensive 3D seismic programme as a precursor to a planned four well drill campaign, slated to start later this year.

The analyst has set a 5p per share asset valuation (risked NAV) for Echo, which compares to a current market price of 2.52p

READ: Echo Energy rejigs Argentina assets to focus solely on Tapi Aike "Alongside potential M&A deals that continue to be evaluated, and Echo's increasingly exciting presence in Bolivia, we believe that Tapi Aike will be a critical share price driver in the months ahead," Howie said.

He added: "Our sum-of-the-parts valuation is driven by Tapi Aike and we see exciting times ahead for this flagship asset, where Echo now has a 19% working interest and drilling is on track to commence in late FY2019.

"We see strong scope for material upside beyond our prevailing 5p/share estimate as Echo further de-risks Tapi Aike with modern 3D seismic data, upgrades leads to prospect status and commences exploration drilling. We also highlight potentially exciting initiatives to expand the regional footprint through M&A."

Price: 2.8p

Market Cap: £13.38M

1 Year Share Price Graph



Share Information

Code: ECHO

Listing: ISE

52 week High Low
17.90p 2.30p

Sector: Energy

Website: www.echoenergyplc.com

Company Synopsis:

Echo Energy PLC is a London listed Latin American-focused mid-cap gas company in the making. The company is pursuing a high value piped onshore gas strategy across South and Central America, which commences with a multi tcf (trillion cubic feet) potential exploration portfolio.

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