

Echo Energy PLC

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Echo Energy advances well operations at Tapi Aike and Palermo Aike exploration projects

Echo Energy PLC (LON:ECHO) told investors that it has carried out perforation and started stimulation operations for the Campo La Mata x-1 well, at the Tapi Aike project.

The mechanical stimulation of the Campo La Mata x-1 well's deeper secondary target, in the Anita formation, will now begin shortly, the company said.

It noted that it will subsequently move on to the shallower primary target, the 'Magallanes 20', which will be perforated and undergo mechanical stimulation. This work is expected to take two weeks.

READ: Echo Energy shifts drill rig to Santa Cruz Sur

The company also said that it has also begun drilling the Camp Limite exploration well, in the Palermo Aike concession area - part of the recently acquired Santa Cruz Sur asset package.

Echo expects that the Camp Limite well will reach the intended depth within the next week, and it will subsequently carry out wireline logging.

Last month, the company provided a more detailed description of the Camp Limite operation as the rig was mobilised.

It noted that the first well, CLix-1001, targets the conventional Springhill reservoir on a structure located two kilometres from the Chilean border with a target depth of 2,300 metres (m).

The target structure is in the same fault block and up-dip of a well that has historically tested and produced gas from the Springhill reservoir.

Estimated geological Chance of Success at 70%

The operator has said the estimated geological Chance of Success (CoS), based on analyses of other wells in the area, is 70%, with the identified risks being reservoir presence and deliverability.

Costs for CLix-1001 well will initially be paid for by previous owner Phoenix Global Resources with Echo to reimburse up to 60% of these up to a maximum of US\$1.1mln.

Echo acquired a 70% non-operating stake in five producing blocks at Santa Cruz Sur in November for US\$8.5mln.

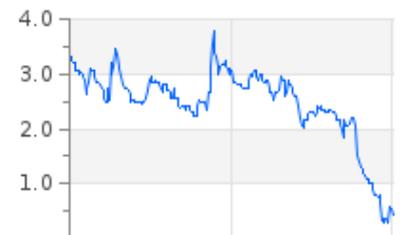
In a note to clients, analysts at 'house' broker ShoreCap said that they "continue to believe that the next few weeks will be extremely exciting for Echo, with the company pressing ahead with operations on its recently drilled 'CLM x-1' well at Tapi Aike (following very encouraging initial results) and with 'Campo Limite' now successfully spudded."

They added: "Ahead of further news, our last published Risked NAV estimate for Echo stands at 5p/share, implying very significant upside from the prevailing share price."

Price: 0.40497

Market Cap: £2.88 m

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: ECHO

Listing: AIM

52 week High Low
4.125 0.175

Sector: Oil & Gas

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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In late morning trade on Monday, Echo shares were 4.4% higher at 2.35p.

-- Adds analysts comment, share price --

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