



Echo Energy Argentina Holdings Limited

Company number 11023721

Annual Report and Financial Statements

31 December 2020

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Company Information

Board of directors

Martin George Michael Hull

Stuart George Vernon

Registered office

**85 Great Portland Street
First Floor
London
W1W 7LT
United Kingdom**

Registered number

11023721 (England and Wales)

Company Secretary

**AMBA Secretaries Limited
400 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT
United Kingdom**

Auditors

**Crowe U.K. LLP
55 Ludgate Hill,
London
EC4M 7JW
United Kingdom**

Directors' report

The directors present their report and the financial statements for the period ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the period were:

M G M Hull
S G Vernon

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 September 2021 and signed on its behalf.



Martin Hull
Director

Statement of comprehensive income

Period ended 31 December 2020

| | Notes | Period to 31 December 2020 US \$ | Period to 31 December 2019 US \$ |
|---|-------|--|--|
| Continuing operations | | | |
| Revenue | | - | - |
| Cost of sale | | - | - |
| Gross profit | | - | - |
| Exploration expenses | | - | - |
| Administrative expenses | | - | - |
| Operating loss | | - | - |
| Financial expense | | - | - |
| Operating loss | | - | - |
| Loss before tax from continuing operations | | - | - |
| Taxation | | - | - |
| Loss for the year | | - | - |

The notes on pages 8 to 11 form an integral part of these financial statements.

Statement of financial position

As at 31 December 2020

Company number: 11023721

| | Notes | 31 December 2020 US \$ | 31 December 2019 US \$ |
|-----------------------------------|-------|------------------------------|------------------------------|
| Non-current assets | | | |
| Investments in subsidiaries | 4 | 2 | 2 |
| Current assets | | | |
| Other receivables | 6 | 1 | 1 |
| | | 1 | 1 |
| Current liabilities | | | |
| Trade and other payables | 7 | (2) | (2) |
| | | (2) | (2) |
| Net current assets | | (1) | (1) |
| Net assets | | 1 | 1 |
| Equity | | | |
| Share Capital | 8 | 1 | 1 |
| Equity shareholders' funds | | 1 | 1 |

For the year ended 31 December 2020 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were authorised for issue and approved by the board on 29 September 2021.



Martin Hull
Director

The notes on pages 8 to 11 form an integral part of these financial statements.

Statement of changes in equity

Period ended 31 December 2020

| | Retained Earnings US \$ | Share Capital US \$ | Total US \$ |
|---------------------|-------------------------------|---------------------------|----------------|
| 1 January 2020 | - | 1 | 1 |
| Loss for the period | - | - | - |
| 31 December 2020 | - | 1 | 1 |

| | Retained Earnings US \$ | Share Capital US \$ | Total US \$ |
|---------------------|-------------------------------|---------------------------|----------------|
| 20 October 2018 | - | 1 | 1 |
| Loss for the period | - | - | - |
| 31 December 2019 | - | 1 | 1 |

Retained earnings represents the cumulative losses of the company attributable to owners of the company

The notes on pages 8 to 11 form an integral part of these financial statements.

Statement of cash flows

Period ended 31 December 2020

| | 2020 US \$ | 2019 US \$ |
|--|---------------|---------------|
| Cash flows from operating activities | | |
| Loss before taxation: | - | - |
| Adjustment for: | | |
| (Increase) in trade and other receivables | - | (1) |
| Increase in trade and other payables | - | 2 |
| Cash generating operations | - | 1 |
| Income taxes paid | - | - |
| Net cash from operating activities | - | - |
| Cash flows from Investing activities | | |
| Investment in subsidiaries | - | (2) |
| Net cash flow used in Investing activities | - | (2) |
| Cash flows from Financing activities | | |
| Issue of share capital | - | 1 |
| Net cash flow used in financing activities | - | 1 |
| Net (decrease)/increase in cash and cash equivalents | - | - |
| Cash and cash equivalents at 1 January | - | - |
| Cash and cash equivalents at 31 December | - | - |

The notes on pages 8 to 11 form an integral part of these financial statements.

Notes to the financial statements

Period ended 31 December 2020

1. Accounting policies

General Information

The company is limited by shares. It is registered and domiciled in England and Wales and incorporated under the Companies Act 2006. The Company did not actively trade in the period.

The company's functional currency is the US Dollar ("US \$"), and presentational currency is the US Dollar. The principal accounting policies are summarised below:

(a) Basis of accounting

The financial statements have been prepared in accordance with IFRS as adopted by the European Union. These financial statements are for the period 1 January to 31 December 2019.

New standards and interpretations not applied

At the date of authorisation of these financial statements, a number of Standards and interpretations were in issue but not yet effective. The directors do not anticipate that the adoption of these standards and interpretations, or any of the amendments made to existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements in the year if initial application.

(b) Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

(c) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially measured at fair value and are subsequently reassessed at the end of each accounting period.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

1. Accounting policies (continued)

(d) Financial instruments (continued)

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments used by the Company are recorded at the proceeds received net of direct issue costs. Shares issued are held at their fair value.

(e) Accounting estimates and judgements

The preparation of financial statements in conforming with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to these estimates are made in the period in which they are recognised.

The Company is not yet actively trading so no judgements, estimates or discretionary assumptions have been applied.

(f) Use of estimates

The assumptions concerning the future, and other key sources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are not significant. The only assets held on the balance sheet are Investments in subsidiary entities.

2. Segmental information

The Company's operations are located in Argentina. The company is not actively trading and so no segmental analysis has been prepared.

3. Director's remuneration

No director's remuneration was paid or payable for the period ended 31 December 2020.

4. Investment in subsidiaries

| | 31 December 2020 | 31 December 2019 |
|----------------------------|------------------|------------------|
| | US \$ | US \$ |
| Investment in subsidiaries | 2 | 2 |
| | 2 | 2 |

Echo Energy Argentina Holdings Ltd holds 100% of the share capital of Echo Energy Tapi Aike Ltd and Echo Energy C D and LLC Ltd.

The subsidiaries Echo Energy Tapi Aike Ltd and Echo Energy C D and LLC Ltd are not currently trading, Eco Energy TA Op Ltd a wholly owned subsidiary of Echo Energy Tapi Aike Ltd reported a loss of US \$810,875 for the period ended 31 December 2019. Eco Energy CDL Op Ltd, a wholly owned subsidiary of Echo Energy C D and LLC Ltd reported a loss of US \$4,996,159 for the period ended 31 December 2019.

5. Financial instruments and treasury risk management

The Company has not commenced active trading so risk exposure is limited.

Credit risk

The Company's principal financial assets are receivables. The Company does not pay interest on its financing received from its parent company and does not currently receive interest on financing to subsidiaries.

Liquidity risk

The company currently has no operational revenue streams. The Company relies upon its parent company to ensure facilities are available on a group wide basis as required and to issue equity share capital and form strategic alliances in accordance with long-term cash flow forecasts.

The parent company actively manages the group's working finance to ensure the group has sufficient funds for operations and planned expansion.

The company financial liabilities are primarily payable to the parent company.

Derivative financial instruments

The company does not currently use derivative financial instruments as hedging is not considered necessary. Should the company identify a requirement for the future use of such financial instruments, a comprehensive set of policies and systems as approved by the directors will be implemented.

In accordance with IFRS 9, "Financial instruments", the Company has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet specific requirements set out in the standard. No material embedded derivatives have been identified.

Commodity contracts

The company does not use commodity contracts and futures to hedge against price risk in commodities as these are not considered necessary.

Capital Management

The Company's activities are of a type and stage of development where the most suitable capital structure is that of one entirely financed by its parent company. The directors will release the future capital to consist of share capital only.

The group's financial strategy is to utilise its resources to further appraise and test the group's projects, forming strategic alliances for specific projects where appropriate. The group keeps investors and the market informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

5. Financial instruments and treasury risk management (continued)

Categories of financial instruments

All of the Company financial assets are classified as loans and receivables, and all of the company's financial liabilities are classified as financial liabilities at amortised cost.

6. Other receivables

| | 31 December 2020 US \$ | 31 December 2019 US \$ |
|------------------------------------|---------------------------|---------------------------|
| Current | | |
| Amounts owing from group companies | 1 | 1 |
| | 1 | 1 |

7. Trade and other payables

| | 31 December 2020 US \$ | 31 December 2019 US \$ |
|----------------------------------|---------------------------|---------------------------|
| Current | | |
| Amounts owing to group companies | 2 | 2 |
| | 2 | 2 |

8. Share capital

| | 31 December 2020 US \$ | 31 December 2019 US \$ |
|---|---------------------------|---------------------------|
| Issued, called up and fully paid | | |
| 1 ordinary share of £1 | 1 | 1 |
| | 1 | 1 |

Ordinary share has full rights in the Company with respect to voting, dividends and capital distributions.

9. Ultimate controlling party

The Company is reliant on its ultimate parent company Echo Energy Plc ("Echo") to fund the on-going activities of the Company. Echo Energy Plc, a company incorporated in the UK, whose registered office is at 85 Great Portland Street, First Floor, London, W1W 7LT, United Kingdom, and listed on the AIM, holds 100% of the share capital in Echo Energy Argentina Holdings Ltd.

Echo produces consolidated financial statements to 31 December. A copy of the latest financial statements for Echo for the year ended 31 December 2020 can be found on the company's website: www.echoenergyplc.com.