

8 October 2020

Hurricane Energy plc

("Hurricane" or the "Company")

Operational and Corporate Update

Hurricane Energy plc, the UK based oil and gas company, provides an operational and corporate update.

Lancaster EPS Production Update

	Q2 2020	Q3 2020	Current
Oil Production (MMbbls)	1.30	1.25	N/A
Average Oil Rate (bopd)	14,300	13,600	14,500
Water Cut⁽¹⁾	21%	26%	19%

1. Expressed as total water produced divided by total fluid (oil and water) production

Oil production in the third quarter of 2020 was at an average rate of 13,600 bopd, which was lower than the 14,300 bopd average rate in the second quarter. This was as a result of the shut in of the 205/21a-7z well from early August, a controlled shutdown of the FPSO for repairs in August 2020, scheduled annual FPSO maintenance in early September 2020 and a short shut in of the 205/21a-6 well for data gathering purposes towards the end of the period.

Since the Company's interim results announcement on 11 September 2020, the Lancaster field has been producing from the 205/21a-6 well alone. Current production is c.14,500 bopd on natural flow with a water cut of c.19%. In line with the Company's expectations, the 205/21a-6 well is exhibiting a limited decline in oil production rate accompanied by a limited increase in water cut.

Average production guidance of 12,000 – 14,000 bopd for the period 1 September 2020 to 31 December 2020 remains unchanged.

The 17th cargo of Lancaster oil is scheduled for lifting in mid-October 2020.

Decommissioning Financing Update

As part of the original Lancaster Field Development Plan approval, Hurricane was required to provide security for its decommissioning liability on the Lancaster field on a post-tax basis. As previously disclosed, this has been satisfied by way of a decommissioning bond since February 2019.

In accordance with the terms of the decommissioning bond agreement, and given the fall in oil prices earlier in 2020 and the recent downward revision to the Lancaster field's reserves, the bond provider has requested that the Company provide cash collateral for 100% of the bond's value, as a result of which the Company would derive no benefit from the bond while still paying fees to the bond provider. The decommissioning bond has therefore been terminated by mutual agreement.

Consequently, the Company has reverted to the arrangement in place prior to the decommissioning bond, whereby £16.8 million (\$21.7 million) of cash security will be held in trust in order to continue meeting the obligation to provide post-tax security for the estimated cost of decommissioning the production wells, subsea infrastructure and related FPSO costs for the Lancaster Early Production System. Accordingly, \$21.7 million of the Company's unrestricted cash has now been reclassified as restricted cash.

Stakeholder Engagement

As disclosed in the interim results announcement, the Company intends to engage with all key stakeholders regarding its forward work programme, capital allocation and financing arrangements in light of the revised reserves estimates for the Lancaster field and challenging macroeconomic backdrop. The Company is making good progress on a proposed work programme and will provide further updates when appropriate.

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Contacts:

Hurricane Energy plc +44 (0)1483 862 820
Antony Maris, Chief Executive Officer
Philip Corbett, Head of Investor Relations

Stifel Nicolaus Europe Limited +44 (0)20 7710 7600
Nominated Adviser & Joint Corporate Broker
Callum Stewart / Ashton Clanfield

Morgan Stanley & Co. International plc +44 (0)20 7425 8000
Joint Corporate Broker
Andrew Foster / Tom Perry / Alex Smart

Vigo Communications +44 (0)20 7390 0230
Public Relations
Patrick d'Ancona / Ben Simons
hurricane@vigocomms.com

About Hurricane

Hurricane was established to discover, appraise and develop hydrocarbon resources associated with naturally fractured basement reservoirs. The Company's acreage is concentrated on the Rona Ridge, in the West of Shetland region of the UK Continental Shelf.

The Lancaster field (100% owned by Hurricane) is the UK's first producing basement field. Hurricane is pursuing a phased development of Lancaster, starting with an Early Production System consisting of two wells tied-back to the Aoka Mizu FPSO. Hydrocarbons were introduced to the FPSO system on 11 May 2019 and the first oil milestone was achieved on 4 June 2019.

In September 2018, Spirit Energy farmed-in to 50% of the Lincoln and Warwick assets, committing to a phased work programme targeting sanction of an initial stage of full field development.

Visit Hurricane's website at www.hurricaneenergy.com

Glossary

bopd	Barrels of oil per day
FPSO	Floating production storage and offloading vessel
MMbbls	Million barrels

Inside Information

This announcement does not contain inside information.