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Hurricane Energy plc

("Hurricane" or the "Company")

Spirit Energy Farm-in to Greater Warwick Area Licences

Hurricane Energy plc, the UK based oil and gas company focused on hydrocarbon resources in naturally fractured basement reservoirs, is pleased to announce that Spirit Energy Limited ("Spirit Energy") has farmed-in to 50% of Hurricane's Lincoln (P.1368 South) and Warwick (P.2294) licences, together covering the Greater Warwick Area ("GWA") (the "GWA Farm-in").

The GWA Farm-in opens up a significant new work programme across Hurricane's assets, widening strategic options and accelerating their potential monetisation by targeting reserve growth. Hurricane and Spirit Energy are committing to a work programme which envisages first oil on the GWA by 2020 and final investment decision ("FID") on the first phase of a full field development by 2021. This is intended to unlock initial reserves of half a billion barrels (gross) from current GWA resources.

Spirit Energy is a strong, technically and commercially aligned partner, which will ultimately take on the role of GWA licence operator, following successful drilling during 2019 and 2020.

Highlights

- Transaction opens up a significant new work programme across Hurricane's assets
- GWA becomes a new leg of Hurricane's business with a forward work plan agreed, targeting FID on the first phase of a GWA full field development in 2021, which is intended to unlock half a billion barrels of reserves (gross) from current GWA resources
- Commitment by Spirit Energy of up to $387 million in carry
- Significant GWA work programme, including:
    - Phase 1 - 2019: Hurricane fully carried through $180.6 million (gross) programme to drill, log and test three exploration and appraisal wells to accelerate appraisal of the Lincoln discovery and exploration of the Warwick prospect; fund the purchase of long lead items to allow the tie-back of one or more GWA wells to the Aoka Mizu FPSO in 2020; and carry out host modifications of the Aoka Mizu
    - Phase 2 - 2020: Assuming Phase 1 is successful and FID is taken to proceed with the GWA well tie-back, Hurricane carried through 50% of its share of an estimated $187.5 million (gross) programme to tie-back one GWA well to the Aoka Mizu, complete host modifications of the Aoka Mizu, tie-in to the West of Shetland Pipeline (WOSP) system for gas export, and thereby allow for first oil from an Early Production System ("EPS") on the GWA in Q4 2020
- Contingent further contribution by Spirit Energy of $150 - $250 million, in the form of a carry of Hurricane's share of GWA full field development costs, following FID of this phase
- Rig contract signed for use of the Transocean Leader semi-submersible drilling rig for the 2019 three well programme, to commence in Q1 2019
- Work programme aims to accelerate conversion of resources to reserves - a single well tie-back from the GWA is expected to provide a daily production rate of 10,000 bopd and associated reserves in excess of 20 million barrels (gross), whilst taking FID on the first phase of a full field development is expected to unlock reserves of half a billion barrels (gross)
- Increases financial flexibility - the GWA Farm-in allows cash flow generated by the Lancaster EPS to be focussed on appraisal and further development of the Greater Lancaster Area ("GLA")
- Hurricane retains 100% of remainder of portfolio including Lancaster, which will benefit from accelerated gas export, unlocking increased oil throughput availability for the Lancaster EPS
- Efficient use of facilities - maximising benefit of infrastructure through de-risking of two accumulations in parallel

Transaction Structure

Spirit Energy has farmed-in to 50% of Hurricane's Lincoln (P.1368 South) and Warwick (P.2294) licences, together covering the GWA. The GWA Farm-in allows Hurricane to commit to a firm work programme on the GWA, through end-2019, without risking continued activity on the GLA. The work programme is comprised of up to five phases, which aim to accelerate first production and reserve allocation, whilst providing a fast-track to full field development sanction.

The 2019 drilling campaign will see three horizontal wells being drilled on the GWA. Assuming success, each well will be suspended as a future producer. It is currently envisaged that one of these wells will be tied back to the Aoka Mizu to facilitate early production and thereby provide data for planning the first phase of a full field development of the GWA, whilst also attributing reserves and providing cash flows. The well programme will also satisfy Hurricane's Warwick licence commitments.

Spirit Energy will fund 100% (up to a maximum of $180.6m) of this three well drilling programme, and certain engineering work and long lead items for future phases, in exchange for a 50% interest across the licences covering the GWA. Subsequently, following FID on the tie-back to the Aoka Mizu, Spirit Energy will pay 75% (up to a maximum of $140.7m) of the anticipated gross cost of the tie back and of the required modifications to the vessel, necessitated to allow production from the GWA additional well to the vessel.

Hurricane and Spirit Energy also target drilling three additional wells to further appraise the accumulation and to undertake front end engineering and design ("FEED") prior to sanctioning the first phase of a standalone GWA full field development in 2021. Spirit Energy has undertaken to make a contingent contribution of a further $150 - 250 million in carry at this stage, dependent on the reserves included in the FID for the full field development. Hurricane will remain field operator until commencement of the full field development workstreams (including FEED), at which point operatorship will transfer to Spirit Energy, subject to regulatory approval.

Impact on Hurricane

The GWA Farm-in significantly accelerates the development of the GWA, providing a clear path to its phased development and bringing forward a potential full field development FID by a number of years. Notwithstanding the significant cash flow that the Lancaster EPS will deliver, Hurricane would not be able to undertake such a development on a standalone basis without impacting its ability to continue progressing its GLA licences. The GWA Farm-in provides Hurricane with a new leg to its business, with a large portion of the up-front capital expenditure funded, whilst freeing up cash flows from the Lancaster EPS for appraisal and development of the rest of its portfolio.

The work programme accelerates the requirement to investigate de-bottlenecking of the Aoka Mizu and gas evacuation. Spirit Energy's carry partially funds the host modifications required for these prior to first oil from a GWA tie-back well. Work studies have started on both areas.

About the Greater Warwick Area

The GWA comprises the Lincoln discovery and Warwick prospect. Hurricane drilled a successful discovery well at Lincoln in 2016, with drilling and wireline data indicating an effective permeable fracture network and an oil down to which indicates that the GWA is a separate hydrocarbon accumulation to the Lancaster field. RPS Energy Consultants Limited attributed 2C contingent resources of 604 million barrels of oil equivalent to Lincoln and assigned best case prospective resources of 935 million stock tank barrels of oil to the undrilled Warwick prospect. As with Lancaster, long term production potential of the GWA will need to be demonstrated prior to a full field development.

About Spirit Energy

Spirit Energy is an independent exploration and production ("E&P") operator which was formed by the combination of Centrica plc's E&P business and Bayerngas Norge AS. The combination was announced on 17 July 2017 and was launched, following regulatory approvals, in December 2017. Spirit Energy is owned by Centrica plc (69%) and two of Bayerngas Norge's former shareholders, led by Stadtwerke München Group (31%).

Spirit Energy has operated and non-operated interests across the UK, Norway, the Netherlands and Denmark with expected 2018 production of around 50 mmboe (137 mboepd), and 2017 year-end 2P reserves of 363 mmboe and 2C resources of 168 mmboe. Spirit Energy has 28 producing fields, 70 exploration licences and employs more than 800 people. Spirit Energy is headquartered in the UK.

Presentation

A presentation has been uploaded to the Company's website outlining the GWA Farm-in and the work programme that the partners are pursuing.

Dr Robert Trice, Chief Executive of Hurricane, commented:

"We are delighted to be working with Spirit Energy. We share a common vision for the development of the Greater Warwick Area and more importantly a shared understanding of the potential of fractured basement in the UKCS. Their prior experience of basement in Norway and elsewhere underpins this understanding.

"This transaction allows us to accelerate monetisation of our GWA resource base through a work programme designed to target significant reserve growth. The initial phases include three wells, one of which is anticipated to be tied-back to the Aoka Mizu in 2020. At this point Hurricane will have two significant accumulations developed to Early Production System stage, providing long term production data - critical to the realisation of value from fractured basement fields - as well as generating significant cash flows.

"We are already planning for three further GWA wells and commencement of full field development FEED during 2020, allowing us to aim for development sanction in 2021.

"As a result of the GWA Farm-in, Lancaster EPS cash flows have been freed up to focus on appraisal of the Greater Lancaster Area.

"As we approach first oil on Lancaster, which remains on track for 1H 2019, we have increased financial flexibility and two parallel work programmes to drive our Rona Ridge resources towards monetisation."

Chris Cox, Chief Executive of Spirit Energy, commented:

"Appraising the Lincoln discovery and exploring for new reserves in Warwick offers a tremendous opportunity for Spirit Energy to participate in the early phases of resource maturation in one of the last known world-class oil development opportunities in the UK, and we are looking forward to partnering with Hurricane Energy to progress these two West of Shetland licences."

Contacts:

Hurricane Energy plc	Dr Robert Trice (Chief Executive Officer) / Alistair Stobie (Chief Financial Officer)	+44 (0)1483 862 820
Evercore Partners International LLC	Financial Adviser to Hurricane David Waring / Gent Kadare	+44 (0)20 7653 6000
Stifel Nicolaus Europe Limited	Nominated Adviser and Joint Corporate Broker Callum Stewart / Nicholas Rhodes / Ashton Clanfield	+44 (0)20 7710 7600
Morgan Stanley & Co. International plc	Joint Corporate Broker Andrew Foster / Tom Perry / Alex Smart	+44 (0)20 7425 8000
Vigo Communications	Public Relations Patrick d'Ancona / Ben Simons	+44 (0)20 7390 0230 Hurricane@vigocomms.com

Details of the Transaction

The total potential contribution by Spirit Energy of up to $387 million to Hurricane's share of capital expenditure is spread across an agreed programme of up to five-phases. Subject to drilling success and agreement to proceed with each phase, this programme will lead to the first phase of a full field development of the GWA.

Phase 1

Phase 1 of the work programme has been agreed and approved. It will comprise:

- Three horizontal exploration and appraisal wells drilled in 2019 with the Transocean Leader, one on Lincoln and two on Warwick
- Funding of long lead items for the tie-back of one or more of the GWA wells to the Aoka Mizu
- Engineering work and long-lead items for host modifications of the Aoka Mizu

Spirit Energy will pay 100% of the costs for Phase 1, subject to a cap of $180.6 million.

Phase 2

Phase 2 is subject to FID following the 2019 wells. It will be undertaken in 2020 and is intended to lead to first oil from one or more GWA wells in 4Q 2020. The work programme includes:

- Tie-back of one of the GWA wells to the Aoka Mizu
- Host modifications of the Aoka Mizu during the 2020 summer maintenance period
- Tying the Aoka Mizu into the West of Shetland Pipeline (WOSP) system for gas export

Each GWA well will target production of approximately 10,000 barrels of oil per day initially, in-line with the anticipated performance of the Lancaster EPS wells. Host modifications on the Aoka Mizu to tie-back the GWA wells will include de-bottlenecking which is anticipated to see daily oil throughput increase, targeting up to 40,000 barrels of oil per day.

The GWA JV will have firm capacity access to the Aoka Mizu in line with Hurricane GLA's existing contract with Bluewater. It is expected that Hurricane's 2P reserves will increase by approximately 12 million barrels as a result of the debottlenecking.

Spirit Energy will pay 75% of the costs during Phase 2, subject to a gross cap of $187.5 million.

Phase 3

Phase 3 is subject to future FID, following the 2019 wells. It comprises three appraisal wells which are due to be drilled in 2020. It is expected that following the drilling of the appraisal wells, the required well stock for the first phase of a full field development will have been drilled.

Each party will pay its share of the Phase 3 work programme.

Phase 4

Phase 4 comprises the front-end engineering and design necessary for the first phase of a full field development. It is planned to commence during 2020, subject to the results of drilling. Upon commencement of this phase, following the decision of the partners to do so, licence operatorship will transfer to Spirit Energy, subject to regulatory approval.

Each party will pay its share of the Phase 4 work programme.

Phase 5

Phase 5 is the first phase of a full field development of the GWA. It is subject to FID, based on results of the previous phases. The partners are working towards this taking place in 2021.

Spirit Energy will carry between $150 - 250 million of Hurricane's costs through the development, dependent on the size of the 2P reserves at FID. Any development of up to 300 million barrels of oil equivalent would result in a contingent carry of $150 million. For each barrel above this level, the contingent carry would increase by $0.50, up to a maximum of $250 million for a development of 500 million barrels of oil equivalent or more.

Operatorship

Hurricane will be the operator in Phases 1 - 3. Subject to approval by the Oil and Gas Authority and completion of Phases 1 - 3 prior to the commencement of Phase 4, operatorship will transfer to Spirit Energy for Phases 4 and 5.

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%) is Hurricane's most appraised asset, with five wells drilled by the Company to date. It has 2P reserves and 2C contingent resources of 523 million stock tank barrels of oil. The Company is currently proceeding towards the first phase of development of Lancaster, an Early Production System which will be the UK's first basement field development. It involves a two well tie-back to the Aoka Mizu FPSO and is expected to initially produce 17,000 barrels of oil per day. First oil is targeted for 1H 2019.

Hurricane's other assets include Lincoln (50%), Warwick (50%), Halifax (100%), Whirlwind (100%), and Strathmore (100%). Together with Lancaster, these assets have total combined 2P reserves and 2C contingent resources of 2.6 billion barrels of oil equivalent (2.3 billion barrels of oil equivalent net to Hurricane).

Glossary:

2P Reserves	Proved plus probable reserves under the Society of Petroleum Engineers' Petroleum Resources Management System
2C Contingent resources	Best case contingent resources under the Society of Petroleum Engineers' Petroleum Resources Management System
Aoka Mizu	The Aoka Mizu FPSO
E&P	Exploration and production
EPS	Early production system
FEED	Front end engineering and design
FID	Final investment decision
FPSO	Floating production storage and offloading vessel
GLA	Greater Lancaster Area, comprising the Lancaster and Halifax fields located on UKCS licences P.1368 Central and P.2308
GWA	Greater Warwick Area, comprising the Lincoln and Warwick fields located on UKCS licences P.1368 South and P.2294
GWA Farm-in	Spirit Energy Limited farm-in to 50% of UKCS licences P.1368 South and P.2294
GWA JV	The joint venture between Hurricane and Spirit Energy over the GWA
Spirit Energy	Spirit Energy Limited
UKCS	United Kingdom Continental Shelf
WOSP	West of Shetland Pipeline System

Inside Information

Forward looking statements

Certain statements in this announcement are forward-looking statements and information (collectively "forward-looking statements"). The forward-looking statements contained in this announcement are forward-looking and not historical facts. Some of the forward-looking statements may be identified by statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "is targeting", "estimated", "intend", "plan", "guidance", "objective", "projection", "aim", "goals", "target", "schedules", and "outlook"). Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to the Company. The forward-looking information contained in this news release speaks only as of the date hereof. The Company does not assume any obligation to publicly update the information, except as may be required pursuant to applicable laws.

Competent Person

The technical information in this release has been reviewed by Dr Robert Trice, who is a qualified person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Dr Robert Trice, Chief Executive Officer of Hurricane Energy plc, is a geologist and geoscientist with a PhD in geology and has over 30 years' experience in the oil and gas industry.

All Reserves and Resources definitions and estimates detailed in this announcement are based on the 2007 SPE/AAPG/WPC/SPEE Petroleum Resource Management System ("PRMS").

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