

11 July 2019

Hurricane Energy plc

("Hurricane" or the "Company")

**Operational Update:
Capital Markets Day**

Hurricane Energy plc, the UK based oil and gas company focused on hydrocarbon resources in naturally fractured basement reservoirs, announces that it is hosting a Capital Markets Day presentation today in London for sell-side analysts and institutional shareholders.

The event will be hosted by Dr Robert Trice, CEO, and Alistair Stobie, CFO, and will include presentations on data generated during both the start-up process of the Lancaster Early Production System development ("Lancaster EPS") and the drilling and testing of the 205/26b-13Z well ("Warwick Deep") on the Greater Warwick Area.

A video recording of the presentation will be made available on the Company's website at <https://www.hurricaneenergy.com/investors/presentations> later today.

The Company also provides an operational update below with respect to the Lancaster EPS and the Warwick Deep well, and an update on future plans.

Lancaster EPS Start-up Phase

Highlights

- Highly encouraging initial results: in line with, or ahead of, expectations
- Well productivity above expectations
 - World class productivity indices of 205 stb/d/psi and 190 stb/d/psi on the -6 and -7Z wells respectively
 - Achieved target aggregate EPS stabilised production rate of 20,000 bopd on natural flow
 - ESPs have not been required to date - potential positive implications for operating efficiency, capex and opex
- Reservoir data collection objectives achieved and initial indications are positive
 - Strong interference observed between the wells
 - No pressure barriers identified with shut-in data
- Production of water and gas within expected ranges
 - Water cut behaviour consistent with modelled perched/trapped water
 - Gas oil ratio towards low end of anticipated range (360 scf/bbl)
- Previous flow assurance assumptions now believed to be conservative
 - Currently extending pigging run interval following minimal wax build-up witnessed initially
 - Positive implications for operating efficiency and flowline, design and operating concepts for future development phases

Hydrocarbons were introduced to the Lancaster EPS on 11 May 2019, marking the commencement of the Lancaster EPS start-up phase which involved testing each of the two Lancaster EPS wells individually, with appropriate shut-in periods, before flowing both wells together to achieve 'First Oil'. During the shut-in periods the flowlines were circulated (pigged) to diesel, in line with our flow assurance strategy.

The individual flow tests were carried out without the use of downhole electrical submersible pumps ("ESPs"), achieving initial stable flowrates of ~16,500 bopd on both the 205/21a-6 and 205/21a-7Z wells. These tests confirmed world class productivity indices ("PIs") of 205 stb/d/psi and 190 stb/d/psi on the 205/21a-6 well and 205/21a-7Z well respectively. The impact of these measurements is that very low drawdowns have been shown to be required to achieve high natural production rates.

Hurricane achieved its desired data collection objectives during the start-up phase. This included measuring interference between the wells, which proved to be instant. Whilst a very positive indicator for fracture network connectivity, the Company believes this interference risks the two wells acting like a single well bore. A cautious approach will therefore be taken to manage increases in flowrates between the two wells, with careful reference needing to be made to the combined rate.

Shut-in tests identified no pressure barriers and confirmed the strong dual porosity dip and late time drop indicating contribution of an extended network of fractures, joints and microfractures.

The 205/21a-6 well produced dry oil at a maximum natural flow rate of ~16,500 bopd. The 205/21a-7Z well produced oil at a maximum natural flow rate of ~16,500 bopd and a water cut of ~8%. Whilst the RPS Energy May 2017 CPR stated that it is not possible to measure the volume or distribution of water trapped in isolated parts of the fracture network, a best case of 5-10% was estimated. This water volume is already factored into Hurricane's published

volumetrics. The water cut does not change with drawdown, indicating that it is perched water and not early breakthrough of aquifer water. Consequently, it is not considered detrimental to the expected production performance of the Lancaster field or the currently held 2P reserve of 37 mmstb.

Initial pigging runs indicated minimal wax build-up and pigging intervals of longer duration are now being tested. It is expected that the Company's initial flow assurance assumptions may prove to be conservative.

Warwick Deep Well

Highlights

- Demonstrated the presence of oil on the Warwick structure
- Well unsuitable as a production well and has consequently been plugged and abandoned
- Well drilled to a total depth of 1,964m TVDSS
- 712m horizontal section of fractured basement reservoir, below local structural closure
- Achieved the majority of data objectives including logs, testing productivity, bringing reservoir fluids to surface, and acquiring a reservoir pressure
- Initial analysis supports pre-drill estimates of porosity, oil type and oil water contact ranges
- Initial analysis suggests the well intersected a poorly connected section of the fracture network within the oil column - further analysis to take place

The Warwick Deep well was drilled to a total depth of 1,964m TVDSS and included a 712m horizontal section of fractured basement reservoir. The horizontal section was 50m deeper and 288m shorter than planned but nevertheless penetrated the target volume of the reservoir.

Hurricane's initial analysis indicates that the well intersected a poorly connected section of the fracture network within the oil column. The well did not flow at commercial rates producing a mixture of drilling brine, water, oil and gas. The decision was therefore made to plug and abandon the well.

The Company and its contractors have been evaluating the drill stem test data, well pressures and fluid samples which indicate that Warwick Deep has penetrated a light oil column. Further analysis is required to be able to understand the background to this result and its implications.

The rig has now completed the work to permanently plug and abandon the Warwick Deep well and has moved to the 205/26b-B 'Lincoln Crestal' well, the second well of a three-well programme on the Greater Warwick Area.

Guidance

Production

- Production guidance unchanged for 2019, increased from 2020
 - Q3'19: 9,000 bopd (45% operating efficiency); Q4'19: 13,000 bopd (65% operating efficiency)
 - From 2020, target production guidance envelope is increased from 17,000 bopd, which remains the base case, to an upper target of 20,000 bopd
 - Increase is based on world-class productivity and positive flow assurance assumptions which may allow the wells to 'catch-up' lost production during downtime
- GWA tie-back and gas export expected to start production Q4'20 - Q1'21
 - GWA tie-back to deliver a further 4,250 bopd production net to Hurricane (base case, 5,000 bopd upside case)
 - Gas export of 5-10 mmscf/day with minimal cash flow impact
- Excess throughput unlocked by debottlenecking
 - 6-12 months of Lancaster EPS production will determine whether Lancaster EPS wells can be taken above an aggregate of 20,000 bopd to use this excess capacity
 - Otherwise a second GLA tie-back to be pursued in 2021
- Sanction of GWA tie-back dependent upon joint venture partner and regulatory approval

Financial Outlook

- Opex per barrel expected to be below \$20/bbl from 2020
 - GWA tie-back and gas tie-in reduce to \$15/bbl in upside case
- Significant operating cash flow forecasted at \$60/bbl Brent
 - \$60 million in 2019 following first oil in June
 - \$200-240 million in 2020
- H1 Results preview (unaudited)
 - Expected revenue of \$22 million from one cargo of approx. 350,000 bbl
 - Expected unrestricted cash at 30 June 2019 of \$81 million

Dr Robert Trice, Chief Executive of Hurricane, commented:

"I am delighted to be providing an update to the market today. As expected, 2019 is proving to be a transformational year for Hurricane, as we significantly progress the technical and operational platform on which to grow the business

further.

"The Lancaster EPS start-up phase went smoothly and achieved its data objectives. The world class productivity of these wells means that we were able to achieve the desired rates with small chokes and without ESP-support. This bodes very well for future production efficiency and costs.

"We've always said that it would take 6-12 months of stable production before we can establish whether the Lancaster EPS is performing as we predict in our base case model. This continues to be the case.

"We are encouraged by the Warwick Deep well, despite the penetrated fracture system not supporting a commercial oil flow rate. Hurricane's assessment of data acquired during drilling and testing indicates that the well encountered a significant oil column on the Warwick structure. Our initial analysis indicates an OWC consistent with pre-drill predictions. Confirmation of our provisional analysis will require data from the remaining 2019 drilling campaign, as well as fluid sample analysis from Warwick Deep. Importantly, we have evidence that suggests to Hurricane that the result at Warwick Deep does not have negative read-across to Lancaster or Lincoln.

"We are about to spud Lincoln Crestal which, in the case of demonstrating successful flow rates, will be a tie-back candidate to the Aoka Mizu.

"Looking ahead, we've updated our Lancaster EPS production guidance by adding an upside scenario from 2020 onwards, based on the many positive indications we've seen to date. We are tracking in line with production guidance for 2019 and are generating significant cash for reinvestment in future activity. Our phased Rona Ridge development continues with strong momentum."

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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 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. This development is initially expected to produce an average of 17,000 bopd (gross production of 20,000 bopd with assumed operating efficiency of 85%, following a period of ramp-up). First oil was achieved on 4 June 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).

In September 2018, Spirit Energy farmed-in to 50% of the Lincoln and Warwick assets, committing to a five-phase work programme starting with three wells in 2019 and targeting sanction of full field development in 2021.

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
bbl	barrels
bopd	Barrels of oil per day
CPR	Competent Persons Report
EPS	Early Production System
ESP	Electrical Submersible Pumps
FPSO	Floating Production Storage and Offloading vessel
GLA	Greater Lancaster Area
GWA	Greater Warwick Area
Lancaster EPS	Lancaster Early Production System development
OWC	Oil Water Contact

PI	Productivity Index
scf	Standard cubic foot
Spirit Energy	Spirit Energy Limited
TVDSS	True Vertical Distance Subsea
Warwick Deep	205/26b-13Z

Inside Information

This announcement contains inside information as stipulated under the market abuse regulation (EU no. 596/2014). Upon the publication of this announcement via regulatory information service this inside information is now considered to be in the public domain.

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.

Standard

Resource estimates contained in this announcement have been prepared in accordance with the Petroleum Resource Management System guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers.

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