Thank you John.

I would like to add my welcome to you all. I am delighted to see so many shareholders here and especially the familiar faces of those that have supported Hurricane since the early days. We have come a long way since then and today we stand at a watershed for the company.

By that I mean specifically this year's drilling and testing operation, intended to demonstrate the commercial potential of Lancaster and thereby further de-risk our other basement assets.

As John illustrated, there are economic forces at work over which we have no control and from which we are not immune. However there are technical and commercial activities that Hurricane has undertaken to make the best of the economic climate and consequently we have moved the company forward over the past year and are well positioned to demonstrate what our assets can deliver and thereby add material shareholder value.

Before talking about plans for this year I would like to say a few words about last year and thereby provide a background for our near term work plans.

In March 2012 we raised £28.1m and although that was useful, it was not enough to enable us to commit to a rig for our drilling programme. As the year progressed it became clear that the rig market had become unusually tight with rig contracts being tied up on long term multi-well programmes.

So, early in the year it was clear that without a rig, funds would be hard to raise and without funds a rig would not materialise.

– a classic chicken and egg conundrum. Nobody was more frustrated than me not to be drilling last year. But with insufficient funds and an impossible rig market we had to accept the position.

Although we were unable to drill in 2012 we have made important corporate and technical advances since our previous AGM and these include :

•Introduction of a comprehensive corporate Business Management System;

•the procurement of seismic data over our Orkney acreage;

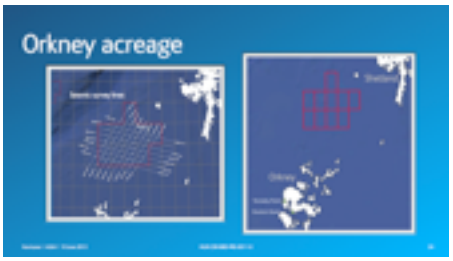
•acquisition of site surveys over Lancaster

•further evaluation of the Lancaster and Lincoln reservoirs which together make up the Greater Lancaster area, or GLA;

- detailed analysis of a field development concept for the GLA
- Preparations to operate in July this year;
- and of course we have undertaken a huge amount of work in preparation for listing the company on AIM

Part of the company's development achieved in 2012 was constructing a comprehensive Business Management System or BMS for short. The BMS provides the foundation for corporate and technical compliance and was an essential step in preparing Hurricane for a publicly listed environment.

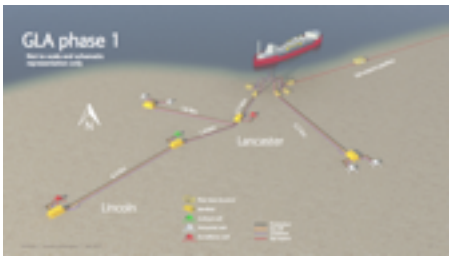
From a practical perspective the BMS ensures that every business process and operating standard can be shared consistently both within Hurricane and with a wide variety of third parties including our consultants, financial auditors, potential partners and very importantly DECC.



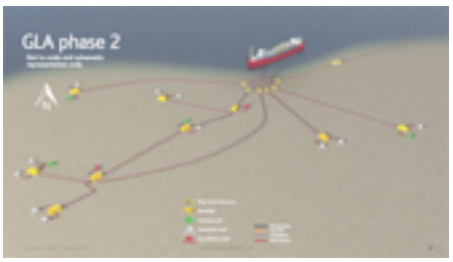
Last summer we obtained a 2D seismic survey over our Orkney acreage and we are now in the process of interpreting this data with the objective of defining exploration leads. Our interest in the area can be explained by the fact that Orkney has evidence of ancient oil fields, as exhibited by outcrops of oil stained sandstones overlying fractured basement. There is potential to find analagous oil accumulations in the region covered by our new seismic data.

Other operations have included site survey work on Lancaster, designed to help refine prospective well locations. Site survey work includes acquiring shallow seismic data and physical samples of the sea bed. In addition to contributing to well planning site survey work also provides important baseline environmental information that is used in field development planning.

Geological work has continued on the evaluation of the Lancaster and Lincoln reservoir resulting in significant step changes in our understanding of how we anticipate the reservoir will behave. This includes an improved understanding of the fracture system and the properties of the oil within the basement reservoir. Here you can see an example of some of this technical work, demonstrating how our understanding has progressed over time resulting in Lancaster being more faulted and fractured than previously mapped. Such information is critical to understanding how the oil will be recovered and where development wells can be optimally located.

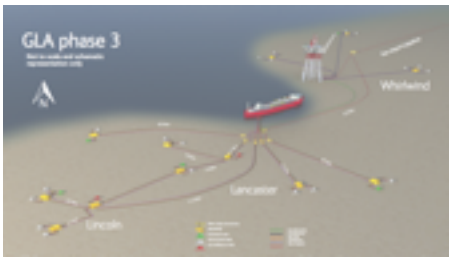


With a revised understanding of the subsurface we were able to refine our understanding of how best to develop the Greater Lancaster area, which is a combination of our Lancaster and Lincoln assets. We had a team considering over forty field development scenarios, rigorously honing the list down to a handful, which have now been through a detailed economic analysis enabling us to see a clear path that will deliver a field development. From this work it is clear that Lancaster would benefit from a phased development approach. Here you can see the proposed development for the first phase. From the valuation you can find in our new Competent Person's Report, the phase one case for Lancaster alone, generates a net present value of $247 million dollars.



Phase 2 is our base case and relates to the Lancaster 2C Contingent Resource of 207 million barrels recoverable oil, requiring additional wells to support larger processing facilities.

In the base case we have a net present value of over $1.2 billion dollars using a discount rate of 10%. This value is based on predicted oil revenue from the Lancaster asset alone.

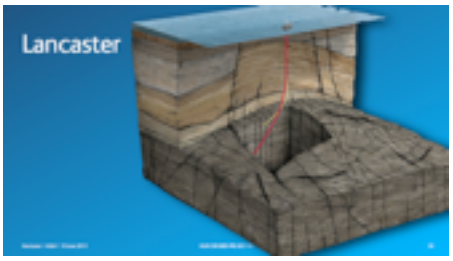


Phasing has two benefits. Firstly, it provides early oil production and therefore revenue. Secondly a phased approach provides the opportunity to develop the field optimally by the provision of appropriately scaled facilities to accommodate the yet to be confirmed upside. Later phases could be developed to accommodate further developments, for example Whirlwind.

However, in order to progress towards the Phase 1 field development Hurricane needs to drill a horizontal development well and for that we required a rig and an appropriate level of funding.

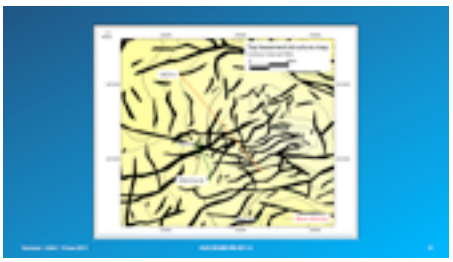
Despite the tough rig market of last year we identified that Transocean's GSF Arctic III unit was potentially available. Negotiations over the rig contract went on from Autumn 2012 through Christmas and into this year and we knew, of course, that we needed to find a way to fund not just the rig hire but the cost of the full operation. This funding was achieved through a fundraising as described by John to establish funds sufficient to carry out 2013 operations.

Subject to successful funding we are now working to a two-year operational plan that is intended to not only significantly de-risk our Lancaster field but also add substantial Contingent Resources to our asset base. It is this plan that I would now like to address.

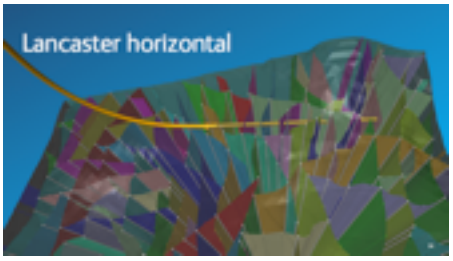


Next month we expect to begin a 75 day operation on Lancaster. You will recall that we have drilled on Lancaster twice before. On those occasions the operations were focused on data acquisition necessary to develop an understanding of the reservoir and its fluids.

The data gathered during those operations has made it possible for Hurricane's management to have confidence in the 207 million barrels of 2C Contingent Resources attributed to the asset in the Competent Person's Report. We know the oil is there and the properties of that oil, so this summer's operation is all about proving that the reservoir can deliver an oil flow rate that will support a commercial development of the Lancaster asset.



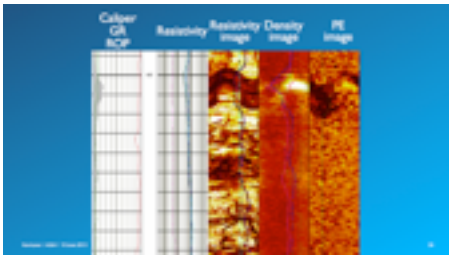
We have a rig slot in the summer drilling season and are well positioned to tackle the operation. In order to assess the reservoir deliverability we intend to drill a horizontal well through the reservoir and test the flow potential of the fractured basement associated with ten seismic scale faults. If the operation goes according to plan, this well will be kept as a future producer. This slide shows the disposition of the new well in relation to our previous 4z well and the seismically mapped faults.



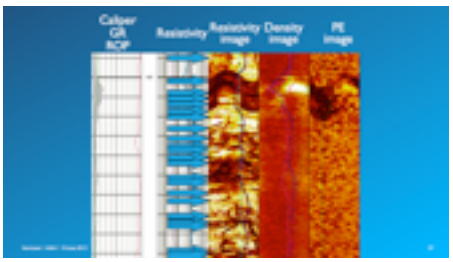
This diagram is taken from Hurricane's geological model illustrating part of the major fault network and shows the planned well path passing through the reservoir. The major faults are what we map from our 3D seismic, aided by petrophysical and test data we have gathered on previous operations. You can see the faults that have been mapped and where the well penetrates each one. The horizontal section of this well is planned to be around one kilometre in length.

Seismic scale faults are difficult for the non specialist to visualise. This slide shows what one of the narrow seismic scale fault zones looks like in outcrop. The reason there is a big gap in the cliff is because the rock is so highly fractured that it has been eroded by the sea leaving a well defined, narrow bay. It is the highly fractured nature of seismic fault zones that make them attractive drilling targets.

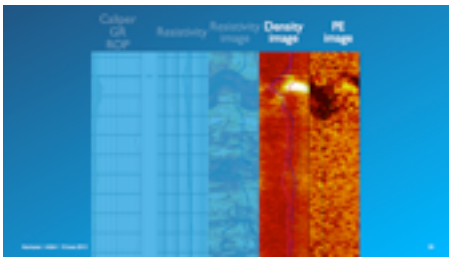
Away from the seismic scale fault zone, fractures are still present. In fact the Lancaster reservoir is pervasively fractured. This image demonstrates the characteristics of the unfaulted reservoir rock. Key points to note are that the fractures are sub vertical and frequent, such fracture distribution is optimally accessed through horizontal drilling.



We detect fractures not only through seismic but also from logging data, which in this example are measurements taken from equipment attached to the drill string. Such measurements called LWD, or logging whilst drilling, providing an almost instantaneous fracture map as we drill.



The resistivity image provides the best tool for picking out fractures



whereas the density and PE images provide valuable information on rock properties.

To ensure we create the best opportunity for measuring productivity, we are instigating a well-defined process to ensure minimal damage to the fractures.

This includes keeping drilling fluid loss into the fractures at a minimum.

Ensuring our drilling mud is appropriately balanced to a specific weight and chemistry.

Ensure drilling cuttings are efficiently retrieved to the surface and not left in the hole to block up fractures.

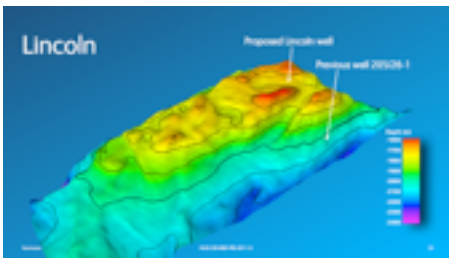
Acid will be pumped into the hole before testing to clean up any debris that has invaded the fractures.

These procedures have been developed based on our previous experience on Lancaster and Whirlwind as well as from experience gained from other operators of basement fields.

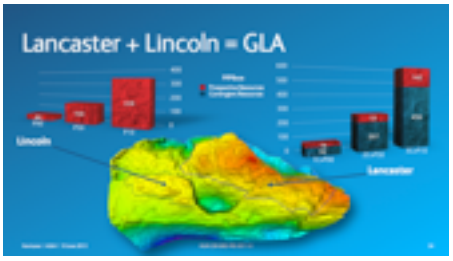
The well is designed to provide a minimum flow rate of 4,000 barrels of oil per day whilst ensuring that Hurricane is within the environmentally permitted tonnage of produced oil.

Produced fluids will also be captured at the surface and at reservoir conditions. These samples evaluated by onsite chemical analysis and post-operational detailed physical examination will provide further details of the Lancaster fluids and will help refine our understanding of how best to execute the field development.

As with previous operations Hurricane personnel will be present during key aspects of the operation. The purpose of placing staff offshore is to ensure any decisions can be made quickly and also allows Hurricane access to expertise offshore thereby optimising the value we can obtain from our data.

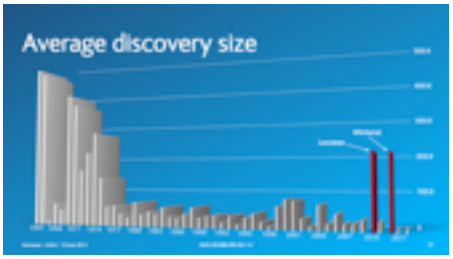


Following what we trust will be a successful operation on Lancaster we look forward to going on to Lincoln to drill an exploration well in 2014 with the aim of bringing hydrocarbons to surface and confirming Contingent Resources. Lincoln lies just over 6 kilometres to the south west of Lancaster and shares many geological characteristics with Lancaster, including a well-defined basement fault system and proven oil on structure.

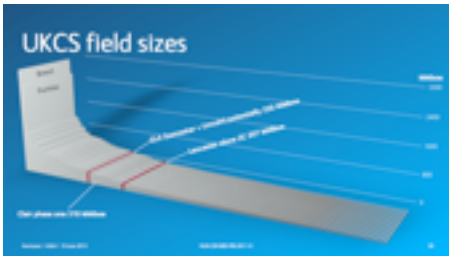


It is our belief that successful operations on Lancaster and Lincoln will enable us to bring the two assets together as a single field which we call the Greater Lancaster Area, or GLA. The GLA has the potential to create a 350 million barrel field development and this will be a significant addition to company value but also a material benefit to the UKCS reserve replacement.

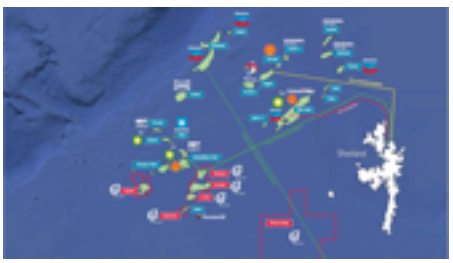
To put 350 million barrels into context it is important to look at the UK's average discovery sizes, and also field sizes.



The significance of 350 million barrels can be appreciated by a comparison with other discoveries on the UK continental shelf. Clearly Lancaster is a major discovery, with Whirlwind of a very similar size. Sharing many characteristics with Lancaster, Lincoln also offers the potential to be a material new discovery.



Average discovery sizes are of course just one comparison and it is helpful to look at actual field sizes. The prospective 350 million barrels recoverable from the GLA is clearly a significant resource and its confirmation could see Hurricane in control of the largest base of undeveloped oil, by far, held by any independent company on the UKCS. You can see on this chart how a development of 350 million barrels on the GLA is of the same order of magnitude as Phase One of the Clair Field, which is also located on the same geological trend as Lancaster.



Clearly the existing contingent resource on Lancaster and the potential for the GLA is significant and attractive to other oil industry players. Furthermore our assets are located West of Shetland which, over the past twelve to eighteen months, has seen increased industry interest. On this slide you can see where some of the majors are operating in relation to Hurricane's assets.

There have been new basement discoveries in other locations around the world including a major discovery in the Norwegian sector of the North Sea. Basement is catching the industry's interest and we believe that after successful completion of this year's Lancaster operation we will be well placed to attract a field development partner.

So, now a brief summary of our priorities: Firstly, a successful Lancaster well that produces a flow rate of 4000 barrels per day or more.

Secondly, a successful Lincoln well converting prospective to contingent resources,

And thirdly, achieving, within the next three years, a solution to finance Lancaster or the GLA.

As I said at the beginning of my address, we stand at a watershed. The work undertaken during 2012 has led to a clear operational plan for the next three years which is intended to confirm the Greater Lancaster Area and place Hurricane on a path to field development. We plan to create value for shareholders over the next two to three years through this summer's operations, 2014 operations and a yet to be confirmed industry deal.

That is the conclusion of my presentation and I will be happy to take questions in the Q&A that will be chaired by John in a moment and in particular I would like to extend the company's invitation to you to stay for our reception when we can chat informally.

Now I would like to hand back to John to convene the Q&A session... John

Q&A...

After Q&A

JAH: Now we will go through the formal business of the meeting.