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29 June 2017

Hurricane Energy plc

(the "Company")

Convertible Bond Offering

Hurricane Energy plc, the UK-based oil and gas company focused on hydrocarbon resources in naturally fractured basement reservoirs, today announces the launch of an offering (the "**Offering**") of U.S.\$220 million of Convertible Bonds due 2022 (the "**Bonds**") with an over-allotment option of up to U.S.\$10 million.

Concurrently with the Offering, a non-pre-emptive placing (subject to shareholder approval) of new ordinary shares in the capital of the Company to raise a minimum of U.S.\$300 million will be undertaken by the Joint Bookrunners on behalf of the Company (the "**Concurrent Equity Placement**"). Further details of the Concurrent Equity Placement are contained in a separate announcement issued by the Company at or around the time of this Announcement.

The net proceeds of the Offering and the Concurrent Equity Placement will be used to fund capital expenditure in relation to the Early Production System development at the Company's Lancaster field, West of Shetland. The Company is currently targeting achieving first oil in the first half of 2019, and completing this financing now will enable the Company to maintain this target. Further details of the use of proceeds of the Offering and the Concurrent Equity Placement are set out in the Company's announcement of 29 June 2017.

The Bonds will be issued at par and will bear interest in the range of 7.00 - 7.50 per cent. per annum payable quarterly in arrear in equal instalments. The Bonds will be convertible into fully paid ordinary shares of the Company (the "**Ordinary Shares**") with the initial conversion price to be set at a premium in the range of 22.5 - 27.5 per cent. above the placing price of the Concurrent Equity Placement.

Upon conversion of the Bonds, the Company may elect to settle its obligations by way of delivery of ordinary shares, payment of a cash alternative amount (calculated by reference to the volume weighted average price of an Ordinary Share over of a specified period) or a combination of the two.

On the Closing Date (as defined below), the Company will transfer to an account secured in favour of U.S. Bank Trustees Limited as trustee in respect of the Bonds a sum equal to the full amount of the first eight interest payments on the Bonds, which can be released in certain circumstances as specified by the Terms and Conditions of the Bonds.

Unless previously converted, redeemed, or purchased and cancelled, the Bonds will be redeemed at par on the fifth anniversary of the Closing Date (as defined below).

The Company will have the option to redeem all, but not some only, of the outstanding Bonds:

- at any time on or after the date falling 3 years and 21 days after the Closing Date at par plus accrued interest if the value of the Ordinary Shares underlying a Bond (calculated over a specified period) shall have been at least U.S.\$300,000; and
- at any time, if 85 per cent. or more of the aggregate Principal Amount of the Bonds originally issued shall have been previously converted, redeemed, or purchased and cancelled (the "**Clean-up Call**").

The final terms of the Bonds are expected to be announced on 30 June 2017, although they may be announced earlier, without further notice. Settlement and delivery of the Bonds is expected to take place on or about 24 July 2017 (the "**Closing Date**").

Settlement of the Bonds is conditional upon (i) approval of the shareholders of the Company of the resolutions to be proposed at a General Meeting of the Company to be held on or about 21 July 2017 in relation to the issue of new Ordinary Shares in connection with any conversion of the Bonds and the Concurrent Equity Placement and (ii) the admission to trading of any new Ordinary Shares issued in connection with the Concurrent Equity Placement on the London Stock Exchange's AIM.

It is intended that application will be made for the Bonds to be listed on The International Stock Exchange (or another recognised stock exchange) prior to the first interest payment date.

The Company and its subsidiaries have agreed to a lock-up undertaking for a period of 90 days from the pricing of the Bonds in respect of the Ordinary Shares (and equity-linked instruments in respect of the Ordinary Shares), subject to customary exceptions and excluding any Ordinary Shares issued pursuant to the Concurrent Equity Placement and Bonds issued pursuant to the over-allotment option.

Cenkos Securities plc and Stifel Nicolaus Europe Limited are acting as Joint Bookrunners.

The Bonds will be offered via an accelerated book building process (the "**Bookbuild**") through a private placement only to institutional investors outside the United States of America, Australia, Canada, South Africa and Japan. The Bookbuild is expected to close no later than 4.30 p.m. on 30 June 2017, but the Joint Bookrunners reserve the right to close the Bookbuild earlier, without further notice.

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities and the Offering is not an offer to the public in any jurisdiction.

This announcement is released by Hurricane Energy plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("**MAR**"), encompassing information relating to the Offering and the Bonds described above, and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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