

30 June 2017

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### **Hurricane Energy plc**

("Hurricane" or the "Company")

### **Results of Placing**

Hurricane Energy plc announced on 29 June 2017 the details of a proposed Placing and a proposed Convertible Bond Offering (together, the "Fundraising").

The Company is pleased to confirm that the Bookbuild has been completed and the Company has, conditionally, raised gross proceeds of US\$300 million through the Placing. Pursuant to the Placing, Placees have agreed to subscribe for 731,222,213 Placing Shares at an issue price of 32 pence per new Ordinary Share.

In addition, the Company has successfully placed US\$220 million of Convertible Bonds through the Convertible Bond Offering, with a further US\$10 million over-allotment option. Further details of the Convertible Bond Offering are contained in a separate announcement to be made by the Company concurrently with this announcement.

Both the Placing and the Convertible Bond Offering are conditional upon the Resolutions being passed by the Shareholders at the General Meeting (or an adjournment thereof). The Placing is also conditional upon: (i) the Placing Agreement otherwise becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and (ii) the placing agreement in connection with the Convertible Bond Offering otherwise having been entered into and not having been terminated prior to Admission.

The net proceeds of the Placing and the Convertible Bond Offering will primarily be used by the Company to fund capital expenditure in relation to the EPS development at the Company's Lancaster field, West of Shetland (the "Project"). The EPS is a two well tie-back to a Floating Production Storage and Offloading host facility that is expected to produce 17,000 barrels of oil per day and provide data required to plan a full field development of Lancaster. The Project is currently scheduled to achieve first oil in H1 2019, and completing the Fundraising at this time will enable the Company to maintain this target.

Cenkos Securities plc is acting as Nominated Adviser and Joint Bookrunner to the Company in connection with the Placing. Stifel Nicolaus Europe Limited is acting as Joint Bookrunner to the Company in connection with the Placing. Evercore Partners International LLP is acting as Financial Adviser to the Company in connection with the Fundraising.

### **Related party transaction**

Kerogen Capital will subscribe for up to 85,309,258 Placing Shares in the Placing to raise gross proceeds of up to US\$35 million.

Kerogen Capital, by virtue of its holding of more than 10 per cent. of the existing issued share capital of the Company, is classified as a related party of the Company and its participation in the Placing is considered a 'related party transaction' under the AIM Rules for Companies. The Directors, having consulted with the Company's nominated adviser Cenkos, consider that the terms of the Placing are fair and reasonable insofar as Shareholders are concerned.

### **Next steps**

A General Meeting is expected to be held on or around 21 July 2017 at the offices of Dentons UKMEA LLP at One Fleet Place, London EC4M 7RA for the purpose of passing certain Resolutions in relation to the proposed Placing and the Convertible Bond Offering. The Circular, containing a notice of the General Meeting, the Resolutions and further details on the Fundraising, is expected to be despatched to Shareholders of the Company on or about 4 July 2017, outlining terms of the Fundraising, the Resolutions and recommending all shareholders to vote in favour of all the Resolutions.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is currently expected that Admission will become effective, and that dealings in the Placing Shares will commence on AIM, at 8.00 a.m. on 24 July 2017. The Placing Shares will represent approximately 37.3 per cent of the Company's issued Ordinary Shares following Admission. The Placing Shares, when issued, will be fully paid and will rank pari passu in all respects with the Existing Ordinary Shares. The Enlarged Share Capital of the Company following Admission will be 1,959,210,336 Ordinary Shares in aggregate.

The expected timetable set out in the Company's announcement of 29 June 2017 remains unchanged and is for reference set out again below.

The times and dates set out below, and mentioned throughout this Announcement, are subject to change, and may be adjusted by the Company in consultation with the Joint Bookrunners. The timetable below also assumes that the Resolutions are all passed at the General Meeting without adjournment. In the event of any significant changes from the below expected timetable, details of the new times and dates will be notified to Shareholders by an announcement on a Regulatory Information Service.

Announcement of the Placing	<b>29 June 2017</b>
Announcement of the Convertible Bond Offering	<b>29 June 2017</b>
Closing of the Bookbuild*	<b>by 4.30 p.m. 30 June 2017</b>
Closing of the Bookbuild in relation to the Convertible Bond Offering*	<b>by 4.30 p.m. 30 June 2017</b>
Posting of the Circular and Form of Proxy	<b>4 July 2017</b>
General Meeting	<b>21 July 2017</b>
Admission and commencement of dealings in New Ordinary Shares*	<b>24 July 2017</b>
CREST accounts to be credited with New Ordinary Shares*	<b>24 July 2017</b>

*\* Subject to Shareholder approval at the General Meeting*

Each of the times and dates above refer to British Summer Time.

### **Importance of the Shareholder vote**

The Fundraising is critical to maintaining the Project schedule of first oil in H1 2019. The Company has secured key elements of the Project, including procurement of the FPSO, SURF and SPS, by taking

advantage of relatively low vessel and oil services rates in recent years. These agreements remain subject to FID, which requires successful closing of the Fundraising. Without the Fundraising, the Directors believe that the Project will be delayed and the Company may not be able to continue with the Project without incurring significant variations, delays, regret costs and cost increases. Furthermore, the Directors believe without the Fundraising there is a significant risk that the Project may be cancelled, that the Company may suffer significant economic loss, and the Company may have to surrender all or part of Licence P1368. The Directors draw the attention of Investors and Shareholders to Risk Factor 1.16 set out in Appendix II of the Proposed Fundraising announcement on 29 June 2017, entitled "The Group will incur regret costs for the proposed Project and may surrender Licence P1368 if Shareholders do not approve the Fundraising".

The Directors believe that it is in the best interests of the Company and shareholders to proceed with the Project and the Fundraising, and recommend that shareholders approve all Resolutions at the General Meeting.

**Dr Robert Trice, Chief Executive, commented:**

*"We are delighted to have successfully completed the fundraising for the EPS and to have seen such support for Hurricane's development of fractured basement reservoirs west of Shetland and our plans for Lancaster in particular. We see this as a landmark endorsement of the quality of our portfolio at a time when capital has not been readily available for E&P companies. We are hugely excited about moving the EPS project forward as well as continuing to progress our understanding of, and plans for, our other assets and look forward to updating the market on developments in due course."*

**For further information, please contact:**

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**About Hurricane plc**

Hurricane is a UK-based oil and gas company which specialises in the exploration and exploitation of fractured basement reservoirs. The Company's strategy is to explore basement reservoirs in proven petroleum basins, particularly in areas where previous drilling results have indicated the presence of hydrocarbons in the basement.

**Important Information**

*This Announcement contains 'forward-looking statements' concerning the Group that are subject to risks and uncertainties. Generally, the words 'will', 'may', 'should', 'continue', 'believes', 'targets', 'plans', 'expects', 'aims', 'intends', 'anticipates' or similar expressions or negatives thereof identify forward-looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Group's operations; and (iii) the effects of government regulation on the Group's business.*

*These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as (i) price fluctuations in crude oil and natural gas; (ii) changes in demand for the Group's respective products; (iii) currency fluctuations; (iv) drilling and production results; (v) reserves estimates; (vi) loss of market share and industry competition; (vii) environmental and physical risks; (viii) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (ix) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (x) economic and financial market conditions in various countries and regions; (xi) political risks, including the risks of renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement of shared costs; and (xii) changes in trading conditions. The Company cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. The Company does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.*

*Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Group or any other person following the implementation of the Placing or otherwise.*

*The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares. Past performance is no guide to future performance and persons who require advice should consult an independent financial adviser.*

*The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or any of the Joint Bookrunners that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners to inform themselves about, and to observe, any such restrictions.*

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*The securities referred to in this Announcement have not been nor will be registered under the United States Securities Act of 1933, as amended ("Securities Act"), and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. No public offering of the securities referred to in this Announcement is being made in the United States, United Kingdom or elsewhere.*

*Cenkos, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint bookrunner to the Company in relation to the Fundraising and*

*is not acting for any other persons in relation to the Fundraising. Cenkos is acting exclusively for the Company and for no one else in relation to the matters described in this Announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos, or for providing advice in relation to the contents of this Announcement or any matter referred to in it.*

*Stifel, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint bookrunner to the Company in relation to the Fundraising and is not acting for any other persons in relation to the Fundraising. Stifel is acting exclusively for the Company and for no one else in relation to the matters described in this Announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel, or for providing advice in relation to the contents of this Announcement or any matter referred to in it.*

*Evercore, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to the Company in relation to the Fundraising and is not acting for any other persons in relation to the Fundraising. Evercore is acting exclusively for the Company and for no one else in relation to the matters described in this Announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evercore, or for providing advice in relation to the contents of this Announcement or any matter referred to in it.*

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*Conversions from US\$ to GBP in this Announcement have been conducted at an exchange rate of 0.78:1.*

*Capitalised terms not otherwise defined in the text of this announcement have the meanings given in the Company's announcement of 29 June 2017.*