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If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Proxy Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Existing Ordinary Shares are admitted to trading on AIM. Conditional upon completion of the Placing and the Kerogen Subscription, application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission to trading on AIM and dealings in the New Ordinary Shares will commence at 8 a.m. on 10 May 2016.

The Placing Shares will only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing nor the Kerogen Subscription constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom (“FCA”) pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should consider carefully whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

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## **Hurricane Energy plc**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered No. 05245689)*

### **Placing and Subscription of 347,245,265 Ordinary Shares**

**at 15 pence per share**

**and**

### **Notice of General Meeting**

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**Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 11 to 20 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the FCA, is acting as Joint Bookrunner, broker and nominated adviser to the Company in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos Securities plc or for advising any other person on the arrangements described in this document. Cenkos Securities plc has not authorised the contents of, or any part of, this document, is not making any representation or warranty, express or implied, as to the contents of this document and nor shall it have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, its contents or otherwise arising in connection with this document (including any omission of information from this document). Nothing in this paragraph shall serve to exclude or limit any responsibilities which Cenkos Securities plc may have under the FSMA or the regulatory regime established thereunder.

Macquarie Capital (Europe) Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as Joint Bookrunner to the Company in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Macquarie Capital (Europe) Limited or for advising any other person on the arrangements described in this document. Macquarie Capital (Europe) Limited has not authorised the contents of, or any part of, this document, is not making any representation or warranty, express or implied, as to the contents of this document and nor shall it have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, its contents or otherwise arising in connection with this document (including any omission of information from this document). Nothing in this paragraph shall serve to exclude or limit any responsibilities which Macquarie Capital (Europe) Limited may have under the FSMA or the regulatory regime established thereunder.

**Notice of a General Meeting of the Company, to be held at the offices of Dentons UKMEA LLP at One Fleet Place, London, EC4M 7WS at 10.00 a.m. on 9 May 2016, is set out at the end of this document. To be valid, the accompanying Proxy Form for use in connection with the meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, by no later than 10.00 a.m. on 7 May 2016. Completion and return of a Proxy Form will not preclude Shareholders from attending and voting at the General Meeting should they so wish. Alternatively, you may appoint a proxy electronically in accordance with the instructions in Note 7 of the Notice of General Meeting set out at the end of this document. CREST members may use the CREST electronic proxy appointment service, instructions for which are contained in Note 8 of the Notice of General Meeting.**

None of the New Ordinary Shares have been or will be registered under the US Securities Act of 1933, as amended, or under the applicable state securities laws of the United States or under the applicable securities laws of Japan, Canada, Australia or the Republic of South Africa. Subject to certain exceptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South Africa or Japan.

#### **Forward-looking statements**

This document 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 Fundraising or otherwise.

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## FUNDRAISING STATISTICS

Issue Price	15p
Number of Placing Shares	53,333,334
Number of Kerogen Shares	293,911,931
Number of Existing Ordinary Shares in issue as at the date of this document	634,129,509
Enlarged Share Capital following Admission	981,374,774
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares	35.4 per cent.
Percentage of the Enlarged Share Capital represented by the Placing Shares	5.4 per cent.
Percentage of the Enlarged Share Capital represented by the Kerogen Shares	29.9 per cent.
Number of CA Warrants	23,333,333
Percentage of the Enlarged Share Capital represented by the CA Shares*	2.3 per cent.
Gross Proceeds of the Placing	£8.0 million
Gross Proceeds of the Kerogen Subscription	Approximately £44.1 million
Estimated net proceeds of the Fundraising	Approximately £49.3 million

\* assuming exercise in full of the CA Warrants but no exercise of the Kerogen Top-up Right – the other numbers stated above assume no exercise of any CA Warrants

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Posting of this document and Proxy Forms	18 April 2016
Latest time and date for receipt of Proxy Forms	10.00 a.m. on 7 May 2016
General Meeting	10.00 a.m. on 9 May 2016
Admission effective and dealings in New Ordinary Shares expected to commence on AIM	8.00 a.m. on 10 May 2016

### Notes:

1. Each of the times and dates in the above timetable, and shown elsewhere in this document, are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“ <b>2014 Horizontal Well</b> ”	the one kilometre horizontal well on Lancaster which the Company drilled and tested in 2014
“ <b>Act</b> ”	the Companies Act 2006, as amended
“ <b>Admission</b> ”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“ <b>AIM</b> ”	the AIM market operated by the London Stock Exchange
“ <b>AIM Rules</b> ”	the rules published by the London Stock Exchange entitled AIM Rules for Companies in force from time to time
“ <b>Articles</b> ”	the articles of association of the Company
“ <b>CA Shares</b> ”	the up to 23,333,333 new Ordinary Shares to be issued by the Company pursuant to the exercise of the CA Warrants
“ <b>CA Warrants</b> ” or “ <b>Warrants</b> ”	the 23,333,333 warrants each to subscribe for one new Ordinary Share at a price of 20 pence to be issued by the Company to Crystal Amber pursuant to the CA Warrants Issue
“ <b>CA Warrants Issue</b> ”	the conditional issue of the CA Warrants to Crystal Amber, as described in paragraph 13 of the letter from the Chairman of the Company included in this document
“ <b>Cenkos</b> ”	Cenkos Securities plc, the Company’s broker and nominated adviser
“ <b>certified</b> ” or “ <b>in certificated form</b> ”	a share or other security which is not in certificated form (that is, not in CREST)
“ <b>Company</b> ” or “ <b>Hurricane</b> ”	Hurricane Energy plc, a company registered in England and Wales with company number 05245689
“ <b>CPR</b> ”	the Group’s Competent Person’s Report dated 19 November 2013 prepared by RPS Energy Limited
“ <b>CREST</b> ”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such regulations)
“ <b>Crystal Amber</b> ”	Crystal Amber Fund Limited
“ <b>Directors</b> ” or “ <b>Board</b> ”	the directors of the Company as at the date of this document, or any duly authorised committee thereof
“ <b>Enlarged Share Capital</b> ”	the issued Ordinary Shares immediately following Admission and assuming no exercise of any CA Warrants
“ <b>Existing Ordinary Shares</b> ”	the 634,129,509 Ordinary Shares currently in issue at the date of this document
“ <b>FCA</b> ”	the Financial Conduct Authority
“ <b>FSMA</b> ”	the Financial Services and Markets Act 2000, as amended
“ <b>Fundraising</b> ”	the Placing, the Kerogen Subscription and the CA Warrants Issue

<b>“Fundraising Securities”</b>	the Placing Shares, the Kerogen Shares, the CA Warrants and the new Ordinary Shares to be issued upon exercise of the Kerogen Top-up Right
<b>“General Meeting”</b>	the general meeting of the Company convened for 10.00 a.m. on 9 May 2016, notice of which is set out in this document, and any adjournment thereof
<b>“Greater Lancaster Area”</b>	the potential development comprising Lancaster, Lincoln and other potential discoveries which may be developed together
<b>“Group”</b>	the Company, its subsidiaries, and its subsidiary undertakings
<b>“Horizontal Sidetrack Well”</b>	the horizontal sidetrack well which is one of the Lancaster 7 Wells
<b>“Issue Price”</b>	15 pence per New Ordinary Share
<b>“Joint Bookrunners”</b>	Macquarie and Cenkos
<b>“Kerogen Capital”</b>	Kerogen Manager and its associated companies which act as a manager of other funds
<b>“Kerogen General Partner”</b>	Kerogen General Partner II Limited
<b>“Kerogen Investor”</b>	Kerogen Investments No.18 Limited
<b>“Kerogen Manager”</b>	Kerogen Capital II Limited, the manager of Kerogen Investor
<b>“Kerogen Shares”</b>	the 293,911,931 new Ordinary Shares to be issued by the Company pursuant to the Kerogen Subscription
<b>“Kerogen Subscription”</b>	the conditional subscription for New Ordinary Shares by Kerogen Investor pursuant to the Subscription Agreement
<b>“Kerogen Top-up Right”</b>	the right of Kerogen and its associates under the Relationship Deed to subscribe for further shares in the Company on any exercise of CA Warrants on the same terms
<b>“Lancaster”</b>	the Group’s wholly owned oil discovery West of Shetland known as Lancaster
<b>“Lancaster 7 Wells”</b>	the Company’s 2016 drilling and testing programme for Lancaster, incorporating among other things a Pilot Well and a Horizontal Sidetrack Well, drilled from the same top hole location, as described in the letter from the Chairman of the Company included in this document
<b>“Lincoln”</b>	the Group’s prospect West of Shetland known as Lincoln, lying to the south west of the Lancaster discovery
<b>“Lock-in and Standstill Deed”</b>	the lock-in and standstill deed dated 18 April 2016 between the Company, Kerogen Investor and Cenkos, as described in paragraph 10 of the letter from the Chairman of the Company included in this document
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Macquarie”</b>	Macquarie Capital (Europe) Limited
<b>“New Ordinary Shares”</b>	the Placing Shares and the Kerogen Shares

<b>“Notice of General Meeting”</b>	the notice convening the General Meeting which is set out on page 21 of this document
<b>“Ordinary Shares”</b>	ordinary shares of £0.001 each in the capital of the Company
<b>“Pilot Well”</b>	the pilot well which is one of the Lancaster 7 Wells
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Issue Price by the Joint Bookrunners, details of which are set out in this document
<b>“Placing Agreement”</b>	the conditional placing agreement dated 18 April 2016 between the Company and the Joint Bookrunners relating to the Placing, as described in paragraph 8 of the letter from the Chairman of the Company included in this document
<b>“Placing Shares”</b>	the 53,333,334 new Ordinary Shares to be issued by the Company pursuant to the Placing
<b>“Prospectus Rules”</b>	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
<b>“Proxy Form”</b>	the form of proxy for use in connection with the General Meeting which accompanies this document
<b>“Regulatory Information Service”</b>	a regulatory information service that is approved by the FCA as meeting primary information provider criteria and that is on the list of regulatory information services maintained by the FCA
<b>“Relationship Deed”</b>	the relationship deed dated 18 April 2016 between the Company and Kerogen Investor, as described in paragraph 10 of the letter from the Chairman of the Company included in this document
<b>“Resolutions”</b>	the resolutions set out in the Notice of General Meeting
<b>“Rig”</b>	the Transocean Spitsbergen semi-submersible drilling rig which the Company has contracted from Transocean under the terms of the Rig Contract
<b>“Rig Contract”</b>	the agreement dated 18 April 2016 between the Company and Transocean under which the Company has conditionally contracted the Rig, as described in paragraph 4 of the letter from the Chairman of the Company included in this document
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Subscription Agreement”</b>	the agreement dated 18 April 2016 between the Company, Kerogen Investor and Kerogen General Partner pursuant to which Kerogen Investor has conditionally agreed to subscribe for the Kerogen Shares, as described in paragraph 10 of the letter from the Chairman of the Company included in this document
<b>“Transocean”</b>	Transocean Drilling UK Limited
<b>“Typhoon”</b>	the Group’s prospect West of Shetland known as Typhoon, lying to the west of the Lancaster discovery
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland

<b>“uncertificated” or “in uncertificated form”</b>	a share or security recorded in the Company’s register of members as being held in uncertificated form, and title to which may be transferred by means of CREST
<b>“Whirlwind”</b>	the Group’s discovery West of Shetland known as Whirlwind, lying to the north of the Lancaster discovery
<b>“£” and “pence”</b>	respectively, pounds and pence sterling, the lawful currency of the United Kingdom
<b>“USD”</b>	United States Dollars, the lawful currency of the United States of America

## GLOSSARY

The following glossary of terms applies throughout this document, unless the context otherwise requires:

<b>appraisal</b>	the phase of petroleum operations immediately following a successful discovery. Appraisal is carried out to determine size, production rate and the most efficient development of a field
<b>aquifer</b>	a water-bearing portion of a petroleum reservoir which can act as a reservoir-drive mechanism, driving the oil through the reservoir. As the reservoir depletes, the water moving in from the aquifer below displaces the oil until the aquifer energy is expended or the well eventually produces too much water to be viable
<b>boe</b>	barrels of oil equivalent. Converting gas volumes to oil equivalent is customarily done on the basis of the nominal heating content or calorific value of the fuel. Before aggregating, the gas volumes must be converted to the same temperature and pressure. Common industry gas conversion factors usually range between 1 barrel of oil equivalent = 5,600 scf of gas to 6,000 scf of gas
<b>Contingent Resources</b>	these are resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles. For contingent resources to move into the reserves category, the key conditions, or contingencies, that prevented commercial development must be clarified and removed. As an example, all required internal and external approvals should be in place or determined to be forthcoming, including environmental and governmental approvals. There also must be evidence of firm intention by a company's management to proceed with development within a reasonable time frame (typically five years, though it could be longer)
<b>discovery</b>	an exploration well which has encountered oil and gas for the first time in a structure
<b>EPS</b>	early production system
<b>ESP</b>	a down-hole electrical submersible pump
<b>exploration</b>	the phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys followed up where appropriate by exploratory drilling
<b>exploration well</b>	a well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or natural gas reservoir
<b>farmin</b>	when a company acquires from another party all or part of an interest in a block in exchange for fulfilling certain work obligations or financial commitments relating to the block
<b>farminee</b>	the acquiring party in a farmin
<b>farmout</b>	a term used to describe when a company sells a portion of the acreage in a block to another company, usually in return for consideration and for the buying company taking on a portion of the selling company's work commitments
<b>FEED</b>	front end engineering and design

<b>field</b>	a geographical area under which either a single oil or gas reservoir or multiple oil or gas reservoirs lie, all grouped on or related to the same individual geological structure feature and/or stratigraphic condition
<b>FPSO</b>	floating production storage and offloading vessel
<b>geophysical</b>	geophysical exploration is concerned with measuring the earth's physical properties to delineate structure, rock type and fluid content – these measurements include electrical, seismic, gravity and magnetics
<b>hydrocarbon</b>	a compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term describes any combination of oil, gas and/or condensate
<b>infrastructure</b>	oil and gas processing, transportation and off-take facilities
<b>licence</b>	an exclusive right to explore for petroleum, usually granted by a national governing body
<b>MMboe</b>	million barrels of oil equivalent
<b>oil</b>	a mixture of liquid hydrocarbons of different molecular weight
<b>petroleum</b>	a generic name for oil and gas, including crude oil, natural gas liquids, natural gas and their products
<b>phase</b>	a distinct state of matter in a system, e.g. liquid phase or gas phase
<b>production well</b>	a well producing fluids (oil, gas or water)
<b>productivity index</b>	a mathematical means of expressing the ability of a reservoir to deliver fluids to the wellbore. The productivity index is usually stated as the volume delivered per psi of drawdown at the reservoir/well bore interface (stb/d/psi)
<b>psi</b>	pounds per square inch
<b>reservoir</b>	an underground porous and permeable formation where oil and gas has accumulated
<b>scf</b>	standard cubic feet measured at 14.7 pounds per square inch and 60° F
<b>sedimentary</b>	a deposit made up of pieces of other rocks
<b>shut-in</b>	to stop a well from flowing and close the valves
<b>sidetrack</b>	a secondary wellbore drilled away from the original hole
<b>spud</b>	to start the well drilling process by removing rock, dirt and other sedimentary material with the drill bit
<b>stb</b>	stock tank barrels measured at 14.7 pounds per square inch and 60° F
<b>stb/d</b>	stock tank barrels per day
<b>TVDSS</b>	true vertical depth (sub-sea)

# LETTER FROM THE CHAIRMAN OF HURRICANE ENERGY PLC

## HURRICANE ENERGY PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006  
with registered No. 05245689)*

*Directors:*

Dr Robert Arnott *(Non-Executive Chairman)*  
Dr Robert Trice *(Chief Executive Officer)*  
Alistair Stobie *(Chief Financial Officer)*  
Neil Platt *(Chief Operations Officer)*  
Dr David Jenkins *(Non-Executive-Director)*  
John van der Welle *(Non-Executive Director)*

*Registered Office*

Ground Floor  
The Wharf  
Abbey Mill Business Park  
Lower Eashing, Godalming  
Surrey GU7 2QN

18 April 2016

*To Shareholders and, for information only, to the holders of options over Ordinary Shares*

Dear Shareholder

**Placing and Subscription of 347,245,265 New Ordinary Shares at 15 pence per share  
and  
Notice of General Meeting**

### **1. Introduction and summary**

The Company today announced that it had conditionally raised approximately £52.1 million (before expenses) through the issue of 347,245,265 New Ordinary Shares to Kerogen Investor and other institutional investors at a price of 15 pence per share pursuant to the Fundraising.

The Company is pleased to have obtained the support of Kerogen Capital, an independent private equity fund manager specialising in the international oil and gas sector. Kerogen Investor has conditionally subscribed for 293,911,931 New Ordinary Shares pursuant to the Kerogen Subscription to raise gross proceeds of approximately £44.1 million. In addition, two other institutional investors, Crystal Amber and Marlborough Fund Nominees, have conditionally subscribed for 53,333,334 New Ordinary Shares pursuant to the Placing to raise gross proceeds of £8.0 million.

Existing Shareholders Crystal Amber, Awal Bank B.S.C, Cavendish Asset Management Limited, Marlborough Fund Managers Limited and Dr Robert Trice have irrevocably undertaken to vote in favour of the Resolutions to be proposed at the General Meeting in respect of the Ordinary Shares in which they are interested, amounting, in aggregate, to 183,190,713 Ordinary Shares, representing 28.9 per cent. of the Existing Ordinary Shares.

In connection with the Fundraising, the Company has conditionally agreed to issue warrants to Crystal Amber to subscribe for up to 23,333,333 new Ordinary Shares at a price of 20 pence per share.

The net proceeds of the Kerogen Subscription and the Placing will be used to fund the drilling of the Lancaster 7 Wells and for general corporate purposes.

The Placing, the Kerogen Subscription and the CA Warrant Issue are conditional upon, among other things, the Company obtaining approval from its Shareholders to grant the Board authority to allot the Fundraising Securities, to disapply pre-emption rights which would otherwise apply to the allotment of the Fundraising Securities and to an alteration to the Articles. The Kerogen Subscription and the Placing are conditional on each other being implemented. The Placing, the Kerogen Subscription and the CA Warrant Issue are also conditional upon Admission. Subject to all relevant conditions being satisfied (or if applicable waived), it is expected that Admission will take place on or around 10 May 2016.

**The purpose of this document is to provide you with information about the background to and the reasons for the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole, to explain why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document, and to seek your approval for the Fundraising.**

## **2. Background to and reasons for the Fundraising**

Hurricane is a UK-based oil and gas company focused on the exploration and exploitation of fractured basement reservoirs.

In 2014, Hurricane drilled and tested a one kilometre horizontal well on Lancaster (the “2014 Horizontal Well”). The well was a success, establishing a sustainable natural flow rate of 5,300 stb/d and, using artificial lift provided by an ESP, a sustainable flow rate of 9,800 stb/d was established (both natural and artificial established oil flow rates were constrained by the capacity of the surface test equipment). The low drawdown rates and associated high productivity index of 160 stb/d/psi provided confirmation of the commercial potential of the Lancaster reservoir and consequently the well was suspended to be used as a future production well.

Following the success of the 2014 Horizontal Well, Hurricane intends to progress Lancaster by means of a phased development. The current basis of design for the EPS phase of development consists of two one kilometre horizontal subsea production wells, including the existing 2014 Horizontal Well and a new horizontal well, tied back to a FPSO host facility. The Directors believe that the development of Lancaster would be further de-risked by drilling a Pilot Well to confirm the depth of mobile oil and the oil water contact level as well as evaluate a potential aquifer below the oil water contact to determine how supportive it is of production. Acquisition of this information will aid in optimising both the EPS phase of development as well as future phases of the Lancaster development.

The Company has designed a 2016 well programme incorporating a Pilot Well and a Horizontal Sidetrack Well on Lancaster as part of a continuous drilling programme in the summer of 2016, known as the Lancaster 7 Wells. The wells are designed to refine Lancaster’s resource range, optimally plan field development and act as a future production well for the EPS phase of development. The Company has contracted Transocean Spitsbergen, a state-of-the-art semi-submersible drilling rig which Transocean believes can operate year round in the West of Shetland to drill and test the Lancaster 7 Wells, further details of which are set out in paragraph 4 below.

The Directors believe that the current low oil price environment and depressed oilfield service supply chain, together with the support of Kerogen Capital and certain existing institutional Shareholders and the availability of the Rig, have presented the Company with an opportunity to secure attractive oilfield service contract rates and accelerate drilling of the Lancaster 7 Wells. The previously announced farmout process is ongoing and Hurricane remains in active commercial negotiations with several parties. The Directors believe that drilling the Lancaster 7 Wells in 2016 should enhance the Company’s ability to negotiate attractive farmout terms as well as provide an advantageous environment for achieving the earliest date of first oil on Lancaster.

## **3. The Lancaster 7 Wells**

The Lancaster 7 Wells are expected to comprise a Pilot Well and a Horizontal Sidetrack Well. There are three objectives of the Pilot Well. The first objective is to acquire unambiguous data that will confirm the distribution of hydrocarbons and the depth of the oil water contact, which is currently assigned a 50% probability of being at 1,597 metres TVDSS or deeper based on data from Hurricane’s 205/21a-4 well. The second objective is to evaluate the properties of a potential aquifer that data from the 205/21-4 well indicates to exist below the oil water contact, but requires investigation to establish how supportive it is of production. To achieve these two objectives, the Pilot Well will be tested to establish the type of fluids that are entering the borehole and their distribution with respect to depth.

The Company believes that the successful completion of these two objectives will allow for a refinement of the Lancaster Contingent Resource range (currently 62 – 456 MMboe as set out in the CPR) and thereby provide the ability to optimally plan the EPS phase of a Lancaster field development.

The third objective of the Pilot Well is to ascertain the properties of the overlying Victory sandstone (described as Commodore sandstone in the CPR) which has the potential to be a significantly thicker and potentially better quality reservoir interval at the Pilot Well location to that established at previous Lancaster well locations. The Victory sandstone may be developed as part of the future development of Lancaster.

On completion of Pilot Well operations, the Pilot Well will be plugged and abandoned with the intention of immediately drilling and testing the Horizontal Sidetrack Well from the same borehole, which is intended to be flow tested using an ESP and then suspended as a future production well.

The aim of the flow testing is to ensure that the Horizontal Sidetrack Well is cleaned up prior to being connected to a production facility and to demonstrate an ability to replicate the results of the previous horizontal well test in 2014. Hurricane plans to perform a longer duration shut-in and pressure build-up test compared with the 2014 Horizontal Well, which should help better understand the basement reservoir's quality and continuity away from the immediate wellbore environment.

In addition to providing additional oil production, the position of the Horizontal Sidetrack Well should also provide valuable interference data with the 2014 Horizontal Well once production commences in the EPS phase of development, thereby providing pressure information which is key to the understanding of the Lancaster reservoir. This information should enable Hurricane to continue updating its forecasts of ultimate recovery and assist in planning for the second phase of development.

The Directors believe that drilling the Lancaster 7 Wells in 2016 should allow the Company to make a final investment decision to progress the EPS phase of development on Lancaster, which is expected to involve tying back two horizontal wells to an FPSO host facility, in H1 2017. Assuming a suitable FPSO can be sourced, the Directors believe that first oil could be in H1 2019.

The total cost for the Lancaster 7 Wells, including testing, insurance and Company project expenses is expected to be approximately £43.9 million.

It is expected that the Pilot Well of the Lancaster 7 Wells will spud during early Q3 2016.

#### **4. Rig Contract**

Transocean and Hurricane have entered into the Rig Contract for the provision of a semi-submersible mobile offshore drilling unit "Transocean Spitsbergen" for the Company's Lancaster drilling programme.

The Rig Contract is based on a widely used industry precedent drilling contract (the LOGIC general conditions of contract for mobile drilling rigs, edition 1), subject to various amendments.

The Rig Contract is conditional on completion of the Fundraising, subject to which the Rig Contract provides for a window from 23 June 2016 to 15 July 2016 during which Transocean must make the Rig available and ready to commence work (the "Commencement Period"). If the Rig is not available and ready to commence work before expiry of the Commencement Period, the Rig Contract will automatically terminate. If the Rig is ready and available to commence work, Hurricane is obliged to begin paying Transocean for the hire of the Rig from 1 July 2016, whether or not Hurricane has received all permits and authorisations required for the commencement of operations. Hurricane is engaging with all relevant authorities to obtain the required permissions in a timely manner.

#### **5. Update on farmout**

Hurricane is conducting a formal farmout process to attract an industry partner into some or all of the Group's assets. The farmout process has principally focused on financing the Lancaster 7 Wells and the EPS phase of development of Lancaster.

The Directors believe that committing to drill the Lancaster 7 Wells whilst farmout negotiations are ongoing will strengthen the Company's ability to secure attractive farmout terms. Notwithstanding the lower oil price environment, the Company has progressed technical and commercial discussions with several interested parties in respect of a farmout of Lancaster and some or all of its other licences to an advanced state. At present there can be no certainty that these discussions will lead to an acceptable offer to farmin to some or all of the Company's licences.

Furthermore, major oil companies continue to reduce capital expenditure, and feedback received by the Company in several cases indicates that there is no significant budget to commit to Lancaster operations in 2016. The Directors therefore do not believe that a farminee would be able to commit to drill the Lancaster 7 Wells in 2016, and the Company is mindful that any delays in drilling could result in a possible delay to the timing of first oil to 4Q 2019 at the earliest.

The timing of exploration, appraisal and development of the Company's other licences are addressed differently by each potential farminee.

## **6. Update on Lancaster development**

### ***Lancaster Field Development Phase I (EPS)***

The Directors believe that the required number of wells for the EPS phase of development of Lancaster will be in place once the Lancaster 7 Wells have been drilled, thereby facilitating a final investment decision to proceed with the phased development of Lancaster. This view is supported by the ongoing discussions with certain potential farminees.

After drilling the Lancaster 7 Wells, the Directors believe that the additional cost of the EPS phase of development will be up to USD240 million plus letters of credit and decommissioning costs of approximately USD130 million. Although potential farminees support Hurricane's engineering assumptions and rationale, some have estimated that the cost may be as much as USD400 million, reflecting a higher initial capital and lower lease commitments spend versus a leased option preferred by Hurricane.

The Company's farmout negotiations are predicated on funding some or all of these additional costs. Notwithstanding this, the Directors believe that there are options which the Company could pursue absent a farmout, which would allow it to achieve first oil in 2019.

The current basis of design for the EPS phase of development of Lancaster consists of two one kilometre horizontal subsea production wells, including the 2014 Horizontal Well and the Horizontal Sidetrack Well, connected by a short flowline and control umbilical configuration, of approximately two kilometres, to a dedicated FPSO host facility. The key elements comprising the host facilities for the Lancaster development are expected to include:

- processing facilities;
- storage facilities;
- substructure and mooring systems;
- interfaces with subsea architecture; and
- interfaces with oil export facilities.

The drilling of the Horizontal Sidetrack Well should maintain options for an early first oil date targeted for H1 2019. A final investment decision for proceeding with the EPS phase of the Lancaster development is targeted for H1 2017, subject to the Lancaster 7 Wells being successfully drilled in 2016 and following completion of pre-FEED subsea and FPSO engineering studies.

The objectives of the EPS phase of the Lancaster development are to:

- (1) deliver an acceptable return on capital invested;
- (2) commence development in a phased manner appropriate to the subsurface uncertainty range and resultant development risks;

- (3) provide long term production data to confirm the productivity and extent of the Lancaster reservoir to enable the next phase of development planning and project approvals to be progressed; and
- (4) provide cashflow to assist in financing the next phase of development.

### ***Lancaster Field Development Phase II***

The Directors anticipate sanctioning the second phase of the Lancaster development following a period of continuous production estimated to be between 24 to 36 months in duration. The Directors believe that, during this initial period of production, the extent and exact requirements for the second phase of the Lancaster development are likely to be determined. It is anticipated that the second phase of development will require a number of additional wells as well as an expansion of the subsea infrastructure and FPSO host facility potentially to include the Greater Lancaster Area, currently comprising the Lancaster and Lincoln licences. Depending on the capacity and utility requirements of the second phase of development, the initial facilities may be replaced by an entirely new host facility. The Directors anticipate that the second phase of development will require the installation of a gas export facility to an adjacent pipeline system.

### ***Well planning and future wells***

Hurricane's experience from drilling four separate basement wells has enabled it to better identify suitable well locations for its other basement assets. Exploration well trajectories have been conceptualised, and the anticipated geology to be penetrated described. These include:

- *Lincoln*: the potential future development of Lincoln is expected to be via tie-back to the Lancaster FPSO host facility. Prior to development the Company plans to drill a crestal exploration well to test the extent of the hydrocarbon column, the quality of the oil present and the basement reservoir properties; and
- *Typhoon*: it is not currently envisaged that Typhoon would be included in a Greater Lancaster Area development. Two well options have been developed to determine oil quality and presence and assess the potential for flank oil accumulations.

In addition, locations of future development wells on Lancaster, and future appraisal and development wells on Lincoln and Whirlwind have been identified. This enables field development planning to encompass the potential of these wells coming on stream in later field life, ensuring surface and seabed facilities are optimally located.

## **7. Use of proceeds**

The gross proceeds receivable by the Company pursuant to the Kerogen Subscription and the Placing will be approximately £52.1 million, before expenses. The Company intends to use the net proceeds it receives from the Placing and the Kerogen Subscription, together with its existing cash resources, primarily to drill the Lancaster 7 Wells and for general and corporate uses.

In summary, the net proceeds are expected to be used as follows:

- Lancaster 7 Wells – £43.9 million; and
- general and corporate – £5.4 million.

## **8. The Placing**

The Company has conditionally raised £8.0 million (before expenses) through the issue of 53,333,334 Placing Shares to existing institutional investors at a price of 15 pence per Placing Share.

The Issue Price represents a premium of 46.3 per cent. to the closing middle market price of 10.3 pence per Ordinary Share on 15 April 2016, being the last practicable date prior to the announcement of the Fundraising and a premium of 24.9 per cent. to the 30 trading day volume weighted average price of 12.0 pence per Ordinary Share.

The Placing Shares will represent approximately 5.4 per cent. of the Enlarged Share Capital immediately following completion of the Fundraising.

On 18 April 2016 the Company entered into the Placing Agreement with the Joint Bookrunners pursuant to which the Joint Bookrunners, as agents for the Company, have agreed to use their reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The Placing is conditional upon, amongst other things:

- the passing of the Resolutions at the General Meeting;
- the Kerogen Subscription having been completed, subject to Admission;
- the Rig Contract not having terminated;
- the Placing Agreement having become unconditional (save for Admission) and not having been terminated prior to Admission; and
- Admission taking place by no later than 8.00 a.m. on 10 May 2016 (or such later date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 20 May 2016).

The Placing Agreement contains customary warranties given by the Company in favour of the Joint Bookrunners in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify the Joint Bookrunners in relation to certain liabilities which the Joint Bookrunners may incur in respect of the Placing.

The Joint Bookrunners have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of any of the warranties or a material adverse change.

The Placing Agreement also provides for the Company to pay all costs, charges and expenses of, or incidental to, the Placing and Admission including all legal and other professional fees and expenses.

The Placing Shares have not been made available to the public and have not been offered or sold in any jurisdiction where it would be unlawful to do so.

## **9. Background on Kerogen Capital**

Kerogen Capital is an independent private equity fund manager established in 2007 specialising in the international oil and gas sector. It provides expansion and development capital to established junior oil and gas companies and has a strategy of partnering with management teams which have a competitive advantage in a particular area of technical expertise.

Kerogen Capital has managed approximately USD1.9 billion of capital commitments across three funds and their related parallel and co-investment funds. Kerogen Capital's investors comprise a range of blue-chip institutions including endowment funds, foundations, pension plans, fund of funds, international corporations and family offices.

Kerogen Capital's managed funds are currently invested in the following seven oil and gas companies:

- Zennor Petroleum Ltd, a private exploration and production company focusing on the North Sea;
- AJ Lucas Group Limited, a leading drilling services company in Australia;
- New Age (African Global Energy) Limited, a private oil and gas exploration and development company with a regional focus in Sub-Saharan Africa;
- Twinza Oil Limited, an oil and gas company focused on the Asia Pacific region;
- Buried Hill (Cyprus) Energy PLC, an upstream oil and gas company with its core asset located in the Caspian Sea;
- HKN Holding Limited, a private oil and gas company and subsidiary of Hillwood International Energy L.P., with an operated interest in the Sarsang block in Kurdistan; and

- M12 Investment Limited, a co-investment with New Age (African Global Energy) Limited in the Marine XII licence off the coast of the Republic of the Congo.

The team at Kerogen Capital comprises highly experienced investment professionals as well as in-house technical and operations expertise in the oil and gas industry. Together with its world class Executive Board, Kerogen Capital seeks to support and assist its portfolio companies in delivering the full potential of their assets.

Roy Kelly, Managing Director and Head of Technical of Kerogen Capital, will be appointed as a director of the Company conditional on completion of the Fundraising. Mr Kelly has over 33 years of technical, commercial and managerial experience in the upstream oil and gas industry, obtained through both operating and service company roles on projects throughout the world. Mr Kelly was previously managing director of consulting at RPS Energy Ltd, a leading upstream technical consultancy and reserve auditor. Prior to RPS, Mr Kelly held senior positions at PGS Reservoir, Ranger Oil and Sovereign Exploration, and spent around 10 years at BP where he trained as a petroleum reservoir engineer. The Directors believe that Mr Kelly's technical background will enhance the quality of the Board.

## **10. The Kerogen Subscription**

Pursuant to the Kerogen Subscription, the Company has conditionally raised approximately £44.1 million (before expenses) through the issue of 293,911,931 Kerogen Shares to Kerogen Investor for cash at a price of 15 pence per Kerogen Share. The Issue Price represents a premium of 46.3 per cent. to the closing middle market price of 10.3 pence per Ordinary Shares on 15 April 2016, being the latest practicable date prior to the announcement of the Fundraising, and a premium of 24.9 per cent. to the 30 trading day volume weighted average price of 12.0 pence per Ordinary Share.

The Kerogen Shares will represent approximately 29.9 per cent. of the Enlarged Share Capital immediately following completion of the Fundraising.

On 18 April 2016 Hurricane and Kerogen Investor entered into the Subscription Agreement, the Relationship Deed and the Lock-in and Standstill Deed.

### ***Subscription Agreement***

Pursuant to the Subscription Agreement, Kerogen Investor has agreed to subscribe, and Kerogen General Partner has agreed to procure that Kerogen Investor subscribes, for the Kerogen Shares at the Issue Price. The Subscription Agreement is conditional upon, among other things:

- the Placing Agreement having become unconditional (save for Admission) and not having been terminated;
- the Rig Contract not having been terminated;
- the passing of the Resolutions at the General Meeting; and
- Admission taking place by no later than 10 May 2016 (or such later date as Kerogen Investor may agree, being not later than on 20 May 2016).

The Subscription Agreement contains certain warranties given by the Company in favour of Kerogen Investor in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business and certain warranties given by Kerogen Investor in favour of the Company in relation to, *inter alia*, compliance with applicable securities and other relevant laws and the availability of funds. Each party has the right to terminate the Subscription Agreement in the event of a material breach of any of the warranties given by the other party.

Under the Subscription Agreement the Company has agreed to pay Kerogen Investor a commission of approximately £1.2 million, which is equal to 2.75 per cent. of the gross proceeds of the Kerogen Subscription, payable on completion of the Kerogen Subscription or in the event of termination of the Subscription Agreement by Kerogen Investor for material breach of warranty by the Company.

### ***Relationship Deed***

Pursuant to the Relationship Deed, conditional on Admission taking place by no later than 8.00 a.m. on 10 May 2016 (or such later date as the parties may agree, being not later than 20 May 2016), for so long as the Ordinary Shares are admitted to trading on AIM and Kerogen Investor and its associates (the “Kerogen Group”) is interested in 10 per cent. or more of the voting rights of the Ordinary Shares in issue from time to time:

- Kerogen Investor undertakes not to exercise its voting rights so as to prevent (i) the Group from managing its business for the benefit of the Shareholders as a whole and independently of the Kerogen Group, or (ii) transactions between the Group and the Kerogen Group being other than on an arm’s length basis and normal commercial terms, or (iii) the Board being comprised of less than two independent directors, or (iv) the Company from being managed in accordance with the Corporate Governance Code for Small and Mid-size Quoted Companies published by the Quoted Companies Alliance;
- Kerogen Investor undertakes not to take any action which would prevent the Group from complying with the AIM Rules and other applicable laws;
- Kerogen Investor has the right to nominate one Director to the Board (the “Nominated Director”) and to each of the existing committees of the Board, and to nominate two members to a new advisory technical committee, and to remove and replace those nominees, save that the appointment of any Nominated Director shall be subject to the prior approval of the Company’s nominated adviser, which can only be withheld if necessary to conduct due diligence on the proposed Nominated Director or where the Nominated Director is in the nominated adviser’s opinion not suitable to be a director of a company admitted to trading on AIM. The first Nominated Director will be Roy Kelly with effect from Admission;
- Kerogen Investor also has the right to appoint an observer to attend each meeting of the Board and each committee of the Board;
- on any exercise of CA Warrants, the Kerogen Group is entitled to subscribe, at a price equal to the relevant exercise price, for up to such number of shares in the Company as will result in the Kerogen Group, following such exercise and such subscription, holding the same percentage of the issued share capital of the Company as it held prior to such exercise and such subscription (the “Kerogen Top-up Right”); and
- the Kerogen Group is also entitled to participate on a pro-rata basis in any non pre-emptive issue of shares by the Company carried out under a general disapplication of pre-emption rights granted at an annual general meeting of the Company or by way of a cash box placing or similar structure.

### ***Lock-in and Standstill Deed***

Pursuant to the Lock-in and Standstill Deed, conditional on Admission taking place by no later than 8.00 a.m. on 10 May 2016 (or such later date as the parties may agree, being not later than 20 May 2016):

- Kerogen Investor undertakes, subject to certain exceptions, for the period of six months following Admission (the “Relevant Period”) not to dispose of, and so far as it is reasonably able to procure that the Kerogen Group shall not dispose of, a number of Ordinary Shares equal to the number of the Kerogen Shares or any part of such number. Exceptions to the foregoing include disposals with the prior consent of the Company and its nominated adviser, disposal by way of acceptance of any general offer, partial offer or tender offer for the Company made by a bona fide third party, or disposal in connection with the acquisition of the Company by a bona fide third party under a court approved scheme of arrangement; and
- Kerogen Investor undertakes, subject to certain exceptions, that during the Relevant Period it shall not, and so far as it is reasonably able to procure any person acting in concert with it shall not, acquire any Ordinary Shares if, as a result, it would give rise to an obligation to make a mandatory general offer for the Ordinary Shares not owned by Kerogen Investor or persons acting in concert with it under Rule

9 of the City Code on Takeovers and Mergers, nor make any general offer to Shareholders to acquire their Ordinary Shares unless recommended by the Board, or exercise its voting rights or take any other action designed solely to assume control of the Board. Exceptions to the foregoing include the acquisition of Ordinary Shares pursuant to a counter-offer made in circumstances where a bona fide third party has made an offer for the Company, or pursuant to any reorganisation of the Company's ordinary share capital or pursuant to an offer by the Company made on the same terms to all Shareholders, or under the Kerogen Top-Up Rights or Kerogen Group's rights under the Relationship Deed described above to participate in certain non pre-emptive issues of shares for cash.

#### **11. Effect of the Placing and the Kerogen Subscription**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the New Ordinary Shares to trading on AIM will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 10 May 2016.

Upon Admission, the Enlarged Share Capital is expected to be 981,374,774 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 35.4 per cent. of the Company's Enlarged Share Capital.

The New Ordinary Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

#### **12. Working capital**

Having made due and careful enquiry, the Directors are of the opinion that, taking into account the net proceeds of the Placing and the Kerogen Subscription, the Company will have sufficient working capital available for its present requirements, that is, for at least 12 months following the date of Admission.

#### **13. CA Warrants Issue**

Crystal Amber, a significant existing Shareholder, has conditionally agreed to subscribe for £7.0 million in the Placing. In connection with Crystal Amber's participation in the Placing and ongoing support, the Company has conditionally agreed to issue to Crystal Amber warrants to subscribe for the CA Shares (up to 23,333,333 new Ordinary Shares at an exercise price of 20 pence per share). The CA Warrants will be exercisable in whole or in part at any time during the period of three years following completion of the Fundraising.

If the CA Warrants are exercised in full, assuming no other issue of new Ordinary Shares following completion of the Fundraising, including no exercise by Kerogen Group of the Kerogen Top-up Right, the CA Shares will represent approximately 2.3 per cent. of the Enlarged Share Capital.

The CA Warrants Issue is conditional on the Placing having become unconditional in all respects and on Crystal Amber having subscribed for 46,666,667 Placing Shares under the Placing.

#### **14. Preliminary Results for the year ended 31 December 2015**

The Company today announced its preliminary results for the year ended 31 December 2015. A copy of these are available from the Company's website at [www.hurricaneenergy.com](http://www.hurricaneenergy.com).

#### **15. General Meeting**

The Directors do not currently have authority to allot the Fundraising Securities and, accordingly, the Board is seeking the approval of Shareholders to allot the Fundraising Securities on a non pre-emptive basis at the General Meeting. The Board is also seeking the approval of Shareholders to an alteration to the Articles.

A notice convening the General Meeting, which is to be held at the offices of Dentons UKMEA LLP, One Fleet Place, London EC4M 7WS at 10.00 a.m. on 9 May 2016, is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £447,747.286, being equal to 447,747,286 new Ordinary Shares (i.e. the number of new Ordinary Shares to be issued under the Placing and the Kerogen Subscription and on exercise in full of the CA Warrants and the Kerogen Top-up Right);
- Resolution 2, which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to issue and allot equity securities up to an aggregate nominate value of £447,747.286, being equal to 447,747,286 new Ordinary Shares, pursuant to the Fundraising on a non pre-emptive basis; and
- Resolution 3, which is a special resolution to alter the Articles to authorise the Board to approve potential conflicts of interest of a Director and certain related matters in accordance with the Act – many publicly traded companies have a similar provision in their articles of association in accordance with best practice, and the Directors consider it is appropriate that the Company should include this provision in its Articles.

The authorities to be granted pursuant to the Resolutions 1 and 2 will expire on the date falling six months from the date of the passing of those Resolutions (unless renewed varied or revoked by the Company before or on that date) and, in the case of Resolution 1, will be in addition to the Directors' authority to allot relevant securities granted at the Company's annual general meeting held on 10 June 2015.

#### **16. Irrevocable undertakings**

The Company has received irrevocable undertakings from Crystal Amber, Awal Bank B.S.C, Cavendish Asset Management Limited, Marlborough Fund Managers Limited and Dr Robert Trice to vote in favour of the Resolutions in respect of their respective entire holdings of Existing Ordinary Shares representing, in aggregate, approximately 28.9 per cent. of the Existing Ordinary Shares.

#### **17. Action to be taken**

A Proxy Form for use at the General Meeting accompanies this document. The Proxy Form should be completed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, as soon as possible, but in any event so as to be received by 10.00 a.m. on 7 May 2016. The completion and return of a Proxy Form will not preclude Shareholders from attending the General Meeting and voting in person should they so wish. Alternatively, Shareholders may appoint a proxy electronically in accordance with the instructions in Note 7 of the Notice of General Meeting set out at the end of this document. CREST members may use the CREST electronic proxy appointment service, instructions for which are contained in Note 8 of the Notice of General Meeting.

#### **18. Recommendation**

**The Directors believe that the Fundraising and the passing of the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions, as the Directors intend to do in respect of their aggregate beneficial holdings of 25,266,117 Ordinary Shares, representing 4.0 per cent. of the Existing Ordinary Shares.**

**The Fundraising is conditional, among other things, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved by Shareholders at the General Meeting, the Fundraising will not proceed.**

Yours faithfully



**Dr Robert Arnott**  
*Non-Executive Chairman*

# HURRICANE ENERGY PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered No. 05245689)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of Hurricane Energy plc (the “Company”) will be held at the offices of Dentons UKMEA LLP, One Fleet Place, London EC4M 7WS on 9 May 2016 at 10.00 a.m. to consider and, if thought fit, pass the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolutions 2 and 3 as special resolutions.

### ORDINARY RESOLUTION

1. **THAT**, in addition to all other powers granted to the Directors at the Company’s Annual General Meeting on 10 June 2015, in accordance with section 551 of the Companies Act 2006 (the “Companies Act”), the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £447,747.286 (being equal to 447,747,286 Ordinary Shares) pursuant to the Placing, the Kerogen Subscription, the CA Warrants Issue and the Kerogen Top-up Right, each as defined in the circular to Shareholders of which this Notice forms part (the “Circular”), provided that this authority will expire on the date falling six months from the date of the passing of this Resolution (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted pursuant to the Placing, the Kerogen Subscription, the CA Warrants Issue and the Kerogen Top-up Right after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

### SPECIAL RESOLUTION

2. **THAT**, subject to and conditional upon the passing of Resolution 1 above, in accordance with section 571(1) of the Companies Act, the Directors be empowered to allot equity securities for cash (within the meaning of section 560 of the Companies Act) pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall:
  - (a) be limited to the allotment of equity securities pursuant to the Placing, the Kerogen Subscription, the CA Warrants Issue and the Kerogen Top-up Right up to an aggregate nominal value of £447,747.286 (being equal to 447,747,286 Ordinary Shares); and
  - (b) expire on the date falling six months from the date of passing this Resolution but may be previously revoked or varied by special resolution and so that the Company may, before such expiry, revocation or variation, make an offer or agreement which would or might require equity securities to be allotted pursuant to the Placing, the Kerogen Subscription, the CA Warrants Issue and the Kerogen Top-up Right after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

### SPECIAL RESOLUTION

3. **THAT** the articles of association of the Company be altered by the insertion of the following new articles 86A and 86B immediately following existing article 86:

**“86A. Directors’ interests other than in relation to transactions or arrangements with the Company**

86A.1 The Directors may authorise any matter proposed to them which would, if not so authorised, involve a breach of duty by a Director under section 175 of the 2006 Act.

86A.2 Any authorisation under Article 86A.1 will be effective only if:

86A.2.1 any requirement as to the quorum at the meeting or part of the meeting at which the matter is considered is met without counting the Director in question or any other Director interested in the matter under consideration; and

86A.2.2 the matter was agreed to without such Directors voting or would have been agreed to if such Directors' votes had not been counted.

86A.3 The Directors may give any authorisation under Article 86A.1 upon such terms and conditions as they think fit.

86A.4 For the purposes of Article 86A.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties, and "interest" includes both direct and indirect interests.

**86B. Confidential information and attendance at Directors' meetings**

86B.1 A Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person. In particular the Director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the 2006 Act because he:

86B.1.1 fails to disclose any such information to the Directors or to any Director or other officer or employee of the Company; and/or

86B.1.2 does not use or apply any such information in performing his duties as a Director of the Company.

However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article 86B.1 applies only if the existence of that relationship has been authorised by the Directors under Article 86A.1 (subject, in any such case, to any terms and conditions upon which such authorisation was given).

86B.2 Where the existence of a Director's relationship with another person has been authorised by the Directors under Article 86A.1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the Director shall not be in breach of the general duties he owes to the Company by virtue of Sections 171 to 177 of the 2006 Act because he:

86B.2.1 absents himself from meetings of the Directors or a committee of Directors at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

86B.2.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company,

for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists.

86B.3 The provisions of Articles 86B.1 and 86B.2 are without prejudice to any equitable principle or rule of law which may excuse the Director from:

86B.3.1 disclosing information, in circumstances where disclosure would otherwise be required under these Articles; and/or

86B.3.2 attending meetings or discussions or receiving documents and information as referred to in Article 86B.2, in circumstances where such attendance or receiving such documents and information would otherwise be required under these Articles."

By order of the Board:

**Dr Robert Arnott**



Chairman  
Hurricane Energy plc

18 April 2016

*Registered Office:*

The Wharf  
Abbey Mill Business Park  
Lower Eashing, Godalming  
Surrey GU7 2QN

### Notes to the Notice of General Meeting

1. Only those members who are entered in the register of members of the Company as at 6.00 p.m. on 7 May 2016 or, in the event the Meeting is adjourned, at 6.00 p.m. on the day before the adjourned meeting, shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their names at that time. Changes to entries in the register of members of the Company after 6.00 p.m. on 7 May 2016 or, in the event that the Meeting is adjourned, after 6.00 p.m. on the day before the adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the Meeting. This is the time specified by the Company for the purposes of Regulation 41 of the Uncertificated Securities Regulations 2001.
2. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the Meeting. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, you will need to complete a separate proxy form in respect of each appointment. A proxy need not be a member of the Company. A proxy form for the Meeting is enclosed.
3. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
5. The appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
6. To appoint a proxy using the proxy form, the form must be completed and signed, sent or delivered to the Company's registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY and received by the Company's registrars no later than 10.00 a.m. on 7 May 2016. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. You can appoint a proxy electronically by going to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the online instructions. For an electronic proxy appointment to be valid, your appointment must be logged on the website using the details contained in your proxy form no later than 10.00 a.m. on 7 May 2016.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID number 3RA50) by not later than 48 hours (excluding non-working days) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. To change your proxy instructions simply submit a new proxy appointment using the methods set out above or contact Computershare Investor Services PLC on 0370 707 1733. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

