

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares before the date that the Existing Ordinary Shares are marked “ex-entitlement” to the Open Offer by the London Stock Exchange, please immediately forward this document, together with the accompanying Proxy Form and Application 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 distribution of this document and/or the accompanying documents, and/or the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the United States, Canada, Australia, Japan, the Republic of Ireland and the Republic of South Africa, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Existing Ordinary Shares are admitted to trading on AIM. Conditional upon completion of the Placing and the Open Offer, 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 8.00 a.m. on 8 November 2016.

The total consideration under the Open Offer will be less than €5 million (or an equivalent amount) in aggregate and 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. Therefore, in accordance with section 85 and schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (“FCA”), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange 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.

Hurricane Energy plc

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

Placing of 205,882,353 Ordinary Shares Open Offer of up to 12,947,767 Ordinary Shares at 34 pence per share and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting referred to below. Attention is also drawn to the Risk Factors set out in Part II of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 7 November 2016. The procedure for acceptance and payment is set out in Part III of this document and, where relevant, in the Application Form.

Centos Securities plc, which is authorised and regulated in the United Kingdom by the FCA, is acting as Joint Bookrunner, joint 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 Centos Securities plc or for advising any other person on the arrangements described in this document. Centos 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 Centos 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 and joint broker 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 2.30 p.m. on 7 November 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, Corporate Actions Projects, Bristol, BS99 6AH, by no later than 2.30 p.m. on 5 November 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.

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 24 October 2016. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 24 October 2016, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Notice to Overseas Shareholders

None of this document and/or the accompanying documents should be distributed, forwarded or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the Restricted Jurisdictions. In addition, the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the Restricted Jurisdictions, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute, and may not be used for the purposes of, any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for New Ordinary Shares to or by anyone in any jurisdiction in which such offer, invitation or solicitation is unlawful or to any person to whom it is unlawful to make such offer or invitation or undertake such solicitation.

This document and the Application Form do not constitute an offer of the New Ordinary Shares to any person with a registered address, or who is resident or located, in any of the Restricted Jurisdictions. This document and the Application Form are not being sent to Shareholders with registered addresses in the Restricted Jurisdictions.

None of the New Ordinary Shares or the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act of 1933, as amended (the “Securities Act”) or under the applicable state securities laws of the United States or under the applicable securities laws of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. Subject to certain exceptions, the New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. There will be no public offering of any of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements in the United States.

Neither the US Securities Exchange Commission nor any state securities commission or other US regulatory authority has approved or disapproved of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements or endorsed the merits of the Fundraising or the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, Application Forms are not being posted to and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled “Overseas Shareholders” at paragraph 6 of Part III of this document.

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	34p
Number of Placing Shares	205,882,353
Number of Open Offer Shares	12,947,767
Number of Existing Ordinary Shares in issue as at the date of this document	984,030,277
Enlarged Share Capital following Admission	1,202,860,397*
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares	18.19 per cent.*
Gross Proceeds of the Placing	£70 million
Gross Proceeds of the Open Offer	£4.4 million*
Estimated net proceeds of the Placing and the Open Offer	Approximately £71.7 million*
Entitlement under the Open Offer	1 Open Offer share for every 76 Existing Ordinary Shares
Ordinary Share ISIN	GB00B580MF54
Open Offer Basic Entitlements ISIN	GB00BZCNTB57
Open Offer Excess Entitlements ISIN	GB00BZCNTC64

* *assuming full take-up under the Open Offer*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	6.00 p.m. on 18 October 2016
Announcement of the Placing and the Open Offer	20 October 2016
Posting of this document, Proxy Form and, to Qualifying non-CREST Shareholders only, the Application Form	21 October 2016
Ex-entitlement Date for the Open Offer	21 October 2016
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 24 October 2016
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 1 November 2016
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 2 November 2016
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 3 November 2016
Latest time and date for receipt of Forms of Proxy	2.30 p.m. on 5 November 2016
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 7 November 2016
General Meeting	2.30 p.m. on 7 November 2016
Announcement of results of the General Meeting and Open Offer	7 November 2016
Admission effective and dealings in New Ordinary Shares expected to commence on AIM	8.00 a.m. on 8 November 2016
Expected date for crediting of New Ordinary Shares in uncertificated form to CREST stock accounts	8.00 a.m. on 8 November 2016
Despatch of share certificates in respect of Placing Shares and Open Offer Shares in certificated form	within 14 days from Admission

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.

If you have any questions on how to complete the Proxy Form or the Application Form, please contact Computershare Investor Services PLC between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on telephone number 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Please note that the Registrars cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

DEFINITIONS

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

“ Admission ”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“ AIM ”	the AIM market operated by the London Stock Exchange
“ AIM Rules ”	the rules published by the London Stock Exchange entitled AIM Rules for Companies in force from time to time
“ April 2016 Chairman’s Letter ”	the letter from the Chairman of the Company included in the April 2016 Circular
“ April 2016 Circular ”	the circular dated 18 April 2016 sent by the Company to Shareholders in connection with the April 2016 Placing and the Kerogen Subscription
“ April 2016 Placing ”	the placing of 53,333,334 Ordinary Shares at 15 pence per Ordinary Share by the Joint Bookrunners on behalf of the Company described in the April 2016 Circular
“ Articles ”	the articles of association of the Company
“ Business Day ”	any day which is not a Saturday, Sunday or public holiday on which banks are open for business in the City of London
“ Cenkos ”	Cenkos Securities plc
“ certified ” or in “ certificated form ”	a share or other security which is not in certificated form (that is, not in CREST)
“ Company ” or “ Hurricane ”	Hurricane Energy plc, a company registered in England and Wales with company number 05245689
“ Computershare Investor Services ”	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ
“ CPR ”	the Group’s Competent Person’s Report dated 19 November 2013 prepared by RPS Energy Limited
“ CREST ”	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)
“ CREST Manual ”	the CREST manual published by Euroclear
“ Crystal Amber ”	Crystal Amber Fund Limited
“ Directors ” or “ Board ”	the directors of the Company as at the date of this document, or any duly authorised committee thereof
“ EHS ”	environment, health and safety
“ Enlarged Share Capital ”	the issued Ordinary Shares immediately following Admission
“ Euroclear ”	Euroclear UK & Ireland Limited
“ Excess Application Facility ”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open

	Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Open Offer Entitlements”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application facility
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 21 October 2016
“Existing Ordinary Shares”	the 984,030,277 Ordinary Shares currently in issue at the date of this document
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Fundraising”	the Placing and the Open Offer
“General Meeting”	the general meeting of the Company convened for 2.30 p.m. on 7 November 2016, notice of which is set out in this document, and any adjournment thereof
“Greater Lancaster Area”	the potential development comprising Lancaster, Lincoln, Warwick and other potential discoveries which may be developed together
“Group”	the Company, its subsidiaries, and its subsidiary undertakings
“Growth Shares”	the growth shares to be issued under the Value Creation Plan, as described in paragraph 9 of Part I of this document
“Horizontal Sidetrack Well”	well 205/21a-7Z, being the one km horizontal sidetrack well which is one of the Lancaster 7 Wells
“Issue Price”	34 pence per New Ordinary Share
“Joint Bookrunners”	Macquarie and Cenkos
“Kerogen Capital”	Kerogen Manager and its associated companies which act as a manager of other funds
“Kerogen General Partner”	Kerogen General Partner II Limited
“Kerogen Investor”	Kerogen Investments No.18 Limited
“Kerogen Manager”	Kerogen Capital II Limited, the manager of Kerogen Investor
“Kerogen Subscription”	the subscription for 293,911,931 new Ordinary Shares by Kerogen Investor pursuant to the Subscription Agreement described in the April 2016 Circular

“Lancaster”	the Group’s wholly owned oil discovery West of Shetland known as Lancaster
“Lancaster 6 Well”	well 205/21a-6, being the one kilometre horizontal well on Lancaster which the Company drilled and tested in 2014
“Lancaster 7 Wells”	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 the April 2016 Circular
“Lincoln”	the Group’s prospect West of Shetland known as Lincoln, lying to the south west of the Lancaster discovery
“London Stock Exchange”	London Stock Exchange plc
“Macquarie”	Macquarie Capital (Europe) Limited
“Money Laundering Regulations”	the Money Laundering Regulations 2007 and obligations in connection with the money laundering under the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
“NED Plan”	the existing “Hurricane Energy 2013 Nominal-Cost Share Option Plan” adopted by the Company by resolution of the Board on 15 April 2013 (as amended on 11 November 2013 and further amended on 23 September 2014) offered to non-executive Directors as a non-executive management incentive plan
“New Ordinary Shares”	the Placing Shares and the Open Offer Shares
“Notice of General Meeting”	the notice convening the General Meeting which is set out on page 73 of this document
“Open Offer”	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
“Open Offer Entitlement”	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders pursuant to the Open Offer
“Open Offer Shares”	the up to 12,947,767 new Ordinary Shares to be issued by the Company pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of £0.001 each in the capital of the Company
“Overseas Shareholders”	Shareholders with a registered address outside the United Kingdom
“Performance Share Plan”	the existing “Hurricane Energy 2013 Performance Share Plan” adopted by the Company by resolution of the Board on 15 April 2013 (as amended) offered to executive Directors and other staff members as a management incentive plan
“Pilot Well”	well 205/21a-7 which is one of the Lancaster 7 Wells
“Placing”	the conditional placing of the Placing Shares at the Issue Price by the Joint Bookrunners, details of which are set out in this document

“Placing Agreement”	the conditional agreement dated 20 October 2016 between the Company and the Joint Bookrunners relating to the Placing, as described in paragraph 7.1 of Part I of this document
“Placing Shares”	the 205,882,353 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Prospectus Rules”	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
“Proxy Form”	the form of proxy for use in connection with the General Meeting which accompanies this document
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction
“Record Date”	6.00 p.m. on 18 October 2016
“Registrars”	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ
“Regulatory Information Service”	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
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Restricted Jurisdiction”	the United States of America, Canada, Australia, Japan, the Republic of Ireland and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
“Rig”	the Transocean Spitsbergen semi-submersible drilling rig which the Company has contracted from Transocean under the terms of the Rig Contract
“Rig Contract”	the agreement dated 18 April 2016 between the Company and Transocean under which the Company conditionally contracted the Rig, as described in paragraph 4 of the April 2016 Chairman’s Letter, as amended by the Rig Contract Amendment
“Rig Contract Amendments”	together the agreements dated between 7 October 2016 and 19 October 2016 between the Company and Transocean by way of amendment to the Rig Contract under which Transocean has granted the Company options for further use of the Rig, as described in paragraph 3 of Part I of this document
“Rona Ridge”	a prominent NE–SW-trending basement high which acts as a structural feature separating the Faroe–Shetland Basin from the West Shetland and the East Solan basins

“Shareholders”	holders of Ordinary Shares
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“Subscription Agreement”	the agreement dated 18 April 2016 between the Company, Kerogen Investor and Kerogen General Partner pursuant to which Kerogen Investor agreed to subscribe for the Kerogen Shares, as described in paragraph 10 of the April 2016 Chairman’s Letter
“Transocean”	Transocean Drilling UK Limited
“UKCS”	the UK Continental Shelf
“uncertificated” or “in uncertificated form”	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
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States of America”, “United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
“USD”	United States Dollars, the lawful currency of the United States of America
“US Securities Act”	the United States Securities Act of 1933 (as amended)
“Value Creation Plan”	the new management incentivisation growth share plan (“Hurricane Energy 2016 Value Creation Plan”) to be adopted on or around the date of the Placing and offered to executive Directors and other staff members
“Warwick”	the Group’s prospect West of Shetland known as Warwick, lying to the south-west of the Lancaster discovery
“£” and “pence”	respectively, pounds and pence sterling, the lawful currency of the United Kingdom

GLOSSARY

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

2C	denotes a best estimate scenario of Contingent Resources
2D seismic	seismic data acquired in a single traverse or series of traverses. 2D seismic data provides single cross sections
3D seismic	seismic data acquired as multiple, closely spaced traverses. 3D seismic data typically provides a more detailed and accurate image of the subsurface than 2D seismic
API	American Petroleum Institute
appraisal	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
appraisal well	a well drilled as part of an appraisal of a field
aquifer	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
boe	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
bopd	barrels of oil per day
Christmas Tree	an assembly of valves, spools, and fittings used for an oil well and other types of wells
Contingent Resources	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)
dip	the angle at which a rock stratum or structure is inclined from the horizontal
discovery	an exploration well which has encountered oil and gas for the first time in a structure
DST	drill stem test
EPS	early production system

exploration	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
exploration well	a well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or natural gas reservoir
farmout	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
FEED	front end engineering and design
field	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
FPSO	floating production storage and offloading vessel
formation	a body of rock identified by lithic characteristics and stratigraphic position which is mappable at the earth's surface or traceable in the subsurface
formation water	water that occurs naturally within the pores of rock
fracture	a natural break in the rock forming due to the effects of cooling of the original rock melt and/or tectonic forces acting on the rock mass. These result in a void extending away from the wellbore for varying distance (centimetres to hundreds of metres) which can be associated with commercially producible oil
geophysical	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
hook-up	the connection of the wells via the Subsea Equipment to the FPSO such that production can commence
hydrocarbon	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
infrastructure	oil and gas processing, transportation and off-take facilities
licence	an exclusive right to explore for petroleum, usually granted by a national governing body
long lead item	the equipment, product or system that is identified at the earliest stage of a project to have a delivery time long enough to affect directly the overall lead time of the project
MMbbl	million barrels
ODT	oil down to
oil	a mixture of liquid hydrocarbons of different molecular weight
oil column	vertical thickness of an oil accumulation above an oil/water contact

P50	denotes a scenario which has at least a 50 per cent. probability of occurring
petroleum	a generic name for oil and gas, including crude oil, natural gas liquids, natural gas and their products
phase	a distinct state of matter in a system, e.g. liquid phase or gas phase
pressure barriers	a barrier that prevents the pressure pulse generated by the DST being transmitted through the reservoir, in effect compartmentalising the reservoir
production well	a well producing fluids (oil, gas or water)
prospect	an identified trap that may contain hydrocarbons. A potential hydrocarbon accumulation may be described as a lead or prospect depending on the degree of certainty in that accumulation. A prospect is generally mature enough to be considered for drilling
Prospective Resources	are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled. This class represents a higher risk than Contingent Resources since the risk of discovery is also added. For prospective resources to become classified as Contingent Resources, hydrocarbons must be discovered, the accumulations must be further evaluated and an estimate of quantities that would be recoverable under appropriate development projects prepared
reservoir	an underground porous and permeable formation where oil and gas has accumulated
seal	a relatively impermeable rock, commonly shale, anhydrite or salt, that forms a barrier or cap above and around reservoir rock such that fluids cannot migrate beyond the reservoir. A seal is a critical component of a complete petroleum system
scf	standard cubic feet measured at 14.7 pounds per square inch and 60° F
sedimentary	a deposit made up of pieces of other rocks
shut-in	to stop a well from flowing and close the valves
sidetrack	a secondary wellbore drilled away from the original hole
spud	to start the well drilling process by removing rock, dirt and other sedimentary material with the drill bit
structural closure	a term used to define the volume of rock in which oil, or gas, can accumulate; closure is based on the shape of a geological structure and is usually defined as a specific depth; in some reservoirs oil can accumulate outside of structural closure and such reservoirs are referred to as having their hydrocarbon stratigraphically trapped; stratigraphic traps accumulate oil in deposits shaped by processes such as rivers, beaches, reefs and fractures
Subsea Equipment	fully submerged ocean equipment, comprising, <i>inter alia</i> , Christmas Trees and subsea control modules, electrical submersible pumps, variable speed drives and subsea umbilicals, risers and flexibles

TVD	true vertical depth
TVDSS	true vertical depth (sub-sea)
wear bushing	retrievable cylindrical device that protects the internal surfaces of wellhead equipment and the top of the last casing suspended
wireline	a cabling technology used by operators of oil and gas wells to lower a wireline tool, which is equipment or measurement devices, into a borehole

PART I

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)
Roy Kelly (Non-Executive Director)
Jason Cheng (Alternate Director)
Leonard Tao (Alternate Director)

Registered Office

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

21 October 2016

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

Dear Shareholder

Placing of 205,882,353 Ordinary Shares

Open Offer of up to 12,947,767 Ordinary Shares

at 34 pence per share

and

Notice of General Meeting

1. Introduction and summary

The Company today announced that it had conditionally raised £70 million (before expenses) through the issue of 205,882,353 Placing Shares to existing and other institutional investors at a price of 34 pence per share pursuant to the Placing.

Kerogen Investor and Crystal Amber have conditionally subscribed for 93,017,647 Placing Shares pursuant to the Placing to raise gross proceeds of £31,626,000. In addition, the Company has received irrevocable undertakings from Kerogen Investor, Awal Bank B.S.C 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 36.04 per cent. of the Existing Ordinary Shares.

The Board recognises and is grateful for the continued support received from Shareholders and is pleased to separately offer to all Qualifying Shareholders the opportunity to participate in the Open Offer to raise up to approximately £4,402,241 million (being less than the €5 million maximum amount permitted without requiring the publication by the Company of a prospectus under the Prospectus Rules), in addition and separate to the funds raised pursuant to the Placing, through the issue of Open Offer Shares to Qualifying Shareholders at a price of 34 pence per share. The Open Offer is not being underwritten. Kerogen Investor has agreed not to subscribe for any Open Offer Shares under the Open Offer in order to allow for other Qualifying Shareholders to apply for Excess Shares under the Excess Application Facility.

The Issue Price represents a discount of 12.26 per cent. to the closing middle market price of 38.75 pence per Ordinary Share on 19 October 2016, being the last practicable date prior to the announcement of the

Fundraising, and a discount of 11.13 per cent. to the 30 trading day volume weighted average price of 38.26 pence per Ordinary Share. The Placing Shares and Open Offer Shares together will represent approximately 18.19 per cent. of the Company's issued ordinary share capital following Admission (assuming the Open Offer Shares are taken-up in full).

The total amount that the Company could raise under the Placing and Open Offer is £74,402,241 (before expenses), assuming all the Open Offer Entitlements are taken up.

The net proceeds of the Fundraising will be used to:

- advance the development of the Greater Lancaster Area fields by funding the FEED and certain other engineering studies for the EPS phase of Lancaster, which will comprise two one-kilometre horizontal subsea production wells tied back to a FPSO host facility;
- acquire the Subsea Equipment, buoy, mooring and control system long lead items such that once the identified FPSO has been converted to operate on the Lancaster field, hook-up can occur without material delay. The Directors believe that purchasing long lead items in the near term will reduce scheduling risk and reliance on EPS financing in the first half of 2017; and
- further delineate the Greater Lancaster Area by drilling an exploration well on Lincoln and an exploration well on Warwick. The Company is also actively seeking a number of targets in order to establish the potential to drill a well on the Rona Ridge including in areas contiguous to the Company's existing licence areas, which would have a risk profile no worse than that of Warwick, instead of the proposed exploration well on Warwick.

In connection with the proposed further delineation of the Greater Lancaster Area, the Company and Transocean have entered into the Rig Contract Amendments under which Transocean has granted the Company options to use the Rig to drill further back-to-back wells. On 19 October 2016, Hurricane exercised its option to drill a well on Lincoln. Its option to drill a second well back-to-back with the Lincoln exploration well is exercisable until 21 November 2016. If this option is exercised, the Directors believe that drilling these two back-to-back wells potentially locks in bottom-of-the-cycle rig costs. However, if this option is not exercised, Hurricane intends to drill the second well between April and September 2017, subject to rig availability, which may result in additional costs.

The proceeds of the Fundraising will finance Hurricane through the next stage of its development, significantly improving its position ahead of upcoming EPS financing and/or farmout discussions.

The Placing and the Open Offer are conditional upon, among other things, the Company obtaining approval from its Shareholders to grant the Board authority to allot the New Ordinary Shares and to disapply pre-emption rights which would otherwise apply to the allotment of the New Ordinary Shares. The Placing and the Open Offer 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 8 November 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.

On 10 May 2016, the Company successfully completed a fundraising whereby pursuant to the April 2016 Placing and the Kerogen Subscription the Company raised approximately £52.1 million (before expenses) through the issue of 347,245,265 new Ordinary Shares to Kerogen Capital, Crystal Amber Fund Limited and Marlborough Fund Nominees at a price of 15 pence per share. The net proceeds of the April 2016 Placing and the Kerogen Subscription have been used to fund the drilling of a pilot well and a horizontal sidetrack well on the Lancaster field and for general corporate purposes.

Lancaster

Preliminary third party analysis of the Pilot Well has indicated that a very significant hydrocarbon column of at least 620 metres is present within the basement extending well below structural closure, confirming the Company's reservoir model for Lancaster. Provisional third party analysis indicates a minimum ODT at 1,620 metres TVDSS and 240 metres TVD below structural closure. The penetrated aquifer interval is porous and permeable. Initial interpretation of well test data indicates that there are no pressure barriers detected in the reservoir in the vicinity of this wellbore. This is consistent with third party well test analysis of the Company's Lancaster wells which indicate that no pressure barriers have been identified within the basement reservoir. A DST of the basement reservoir produced a maximum natural flow rate of 6,600 bopd and a maximum flow rate of 11,000 bopd (artificial lift with an electrical submersible pump) of good quality 38° API oil with no indication of aquifer water being produced at surface. This flow is interpreted as predominantly emanating from a short interval of high-permeability fractures within the basement. The Directors now estimate recoverable resources in excess of 300 MMbbls, an increase of approximately 50 per cent. from the previous estimate of 200 MMbbls based on the 2C case from the CPR.

After plugging and abandoning the Pilot Well as planned, the Company has drilled the Horizontal Sidetrack Well. A DST of the one km Horizontal Sidetrack Well produced a sustainable flow rate of 14,500 stock tank bopd (artificial lift using an electrical submersible pump) of good quality 38° API oil with no produced formation water. The flow rate was constrained by test equipment.

Following completion of the DST testing, the Horizontal Sidetrack Well will now be suspended as a future producer for the EPS phase of the Lancaster development.

The Company believes the development of the Greater Lancaster Area will occur by way of a phased development, the first phase of which is the EPS phase. In addition, the Company intends to further delineate the Greater Lancaster Area to assist with planning for future phases of development.

The EPS phase of development comprises the two previously drilled and tested one kilometre horizontal subsea production wells on Lancaster which will be tied back to a FPSO host facility. The Directors' current expectation is that the EPS should produce approximately 62 million barrels in aggregate with plateau production of approximately five years. It is currently expected that the annual average aggregate production during plateau per day from the two-well development will be 17,000 barrels, taking into account the expected downtime for maintenance, weather and unplanned interruptions to production. Current indications are that the operating costs per barrel will be approximately USD26.

The Company currently expects to sanction the EPS phase of the Lancaster development by the end of H1 2017 and to achieve first oil during H1 2019. To expedite this, the Company has identified a FPSO which can be redeployed to the Lancaster field and is at present undertaking early stage FEED studies. The Company expects to obtain an exclusive right to deploy the FPSO before the end of 2016, subject to the Directors concluding acceptable commercial terms with the owner of the FPSO and confirming that the FPSO can be converted at an acceptable cost to operate on the Lancaster field.

Additionally, the Directors have selected providers for the Subsea Equipment. The Company intends to acquire the most time critical part of the required Subsea Equipment, buoy, mooring and control system long lead items with part of the proceeds of the Fundraising such that, subject to the final selection of the FPSO, agreement of the commercial terms and successful conversion of the FPSO, the installation of the Subsea Equipment should not delay the development of the EPS phase of Lancaster.

On 12 October 2016, Hurricane announced that it had provisionally selected Technip and FMC Technologies, under their alliance, as its exclusive provider of subsea solutions for the EPS and for subsequent development of the Greater Lancaster Area.

Following completion of operations at the Horizontal Sidetrack Well and the removal of the wear bushing from the Lancaster 6 Well, the necessary well stock for the EPS phase of development will have been drilled and subject to final completions will be ready to be connected to the Subsea Equipment.

A preliminary estimate is that the capital expenditure required to achieve first oil from the EPS, excluding the two horizontal wells which have already been drilled and tested, is expected to be up to USD400 million. This estimate comprises vessel hull and topside conversion, vessel repair and life extension, turret, buoy and

mooring, Subsea Equipment, well completions and vessel deployment and associated service and engineering costs (including the Subsea Equipment, buoy, mooring and control system long lead items funded by the Fundraising).

Hurricane is considering a range of financing options for the EPS phase of the Lancaster development and currently intends to finance the EPS via a combination of some or all of the following options: equity, production pre-payment facility, deferred vendor finance, deferred yard and fabricator finance, hybrid ownership of the FPSO, export credit agency guarantees and farmout.

On completion of the initial FEED studies, the Company intends to progress its production pre-payment facility, deferred yard finance and export credit agency options with a view to these being executable at the end of FEED.

The Directors believe that Hurricane's Rona Ridge prospects have been significantly de-risked following the results of the Pilot Well. Accordingly, Hurricane also intends to further delineate the Greater Lancaster Area and to continue to benefit from reduced oil field service rates. On 7 October 2016 and 14 October 2016, the Company entered into the Rig Contract Amendments with Transocean. These gave the Company the option to use the Rig to drill one well on the Lincoln prospect, which the Company exercised on 19 October 2016, and one well on Warwick or another prospect specified by the Company in the West of Shetland area, as further set out below.

Lincoln and Warwick are both located on the Rona Ridge to the south-west of Lancaster and are believed by the Directors to be analogous to the Lancaster discovery. Both wells are planned to be inclined deviated wells whose principal aim will be to determine the extent of the oil column. A high quality geological dataset will also be obtained in order to fully evaluate the basement reservoir post drilling. The Directors believe that these wells will establish Contingent Resources which will assist the Company in sizing a full field development.

The Company is currently evaluating a number of prospects on the Rona Ridge, including in areas contiguous to the Company's existing licence areas, which are expected to have a risk profile no worse than that of Warwick. The Board may opt to drill one of these prospects in preference to the Warwick prospect if, in the opinion of the Directors, it better delineates the extent of the Rona Ridge.

Lincoln

The Lincoln basement prospect is geologically similar to the nearby Lancaster structure. Seismic interpretation indicates the likely presence of fracturing within the Lincoln basement and, encouragingly, a previous well (205/26-1) drilled in 1975 by Arco on the down-dip flank of the Lincoln structure found oil in sandstones immediately above the basement, thus mitigating the oil charge risk to the prospect. Subsequent analysis by Hurricane identified traces of oil in the short interval of basement that was drilled below the oil bearing sandstones. The basement interval in which Hurricane believes oil to be is 2,135m TVDSS which is 355m TVD below the structural closure interpreted by RPS Energy Limited in the CPR.

Given its proximity to the Lancaster field (approximately nine kilometres) and its resource potential, the Directors believe Lincoln is an attractive prospect that could deliver significant incremental value via tie-back to a Lancaster development hub in a subsequent phase of development of the Greater Lancaster Area. The CPR identified P50 Prospective Resources of 150 million barrels in the Lincoln field. Following the success of the Pilot Well drilled by the Company on the Lancaster field, the Directors believe that the Lincoln field could have unrisks Prospective Resources of up to approximately 250 million barrels assuming, as the Director believe, the Lincoln field is analogous to the Lancaster field.

It is expected that the Lincoln well will spud in November this year, directly following the completion of the Horizontal Sidetrack Well and the anticipated removal of the wear bushing from the Lancaster 6 Well. It is expected to be completed before year end.

Drilling the Lincoln well will also contribute towards the Company fulfilling its commitments under Licence P1368

Warwick

The Warwick prospect comprises a robust four-way dip closure at top basement level. It is located approximately 13 kilometres southwest of the Lancaster field on the same Rona Ridge trend. Although slightly deeper than Lancaster at around 1,700 metres below sea level, conceptually Warwick and Lancaster are very similar. From seismic data, the Warwick basement appears to be highly faulted and fractured, so is expected to have reservoir properties analogous to those found at Lancaster. The Warwick structure is believed to have been charged from the prolific Kimmeridge Clay source rock in the Faroe-Shetland Basin, located immediately to the north.

The seal on Warwick is comprised of the same thick succession of Upper Cretaceous claystones that cover Lancaster. The four-way dip closure on Warwick does not benefit from any existing well penetrations. However, nearby offset well data has been used to help constrain the geological analysis of the region, and much of the data that has been gathered from the Lancaster field is directly applicable to Warwick.

The Warwick prospect was not included in the CPR because the Company did not have the applicable licence at the time. However, based on assumptions derived from the results of the Pilot Well and the work undertaken for the CPR, the Directors believe that the Warwick prospect may have unrisked Prospective Resources of up to approximately 250 million barrels assuming, as the Directors believe, the Warwick prospect is analogous to the Lancaster field.

Under the Rig Contract Amendments, Hurricane has the option to use the Rig to drill a back-to-back well on Warwick or on another Rona Ridge prospect exercisable until 21 November 2016.

The Company continues to evaluate other prospects on the Rona Ridge, including in areas contiguous to the Company's existing licence areas, which may contribute to the delineation of the Greater Lancaster Area to enable a more considered full field development. As stated above, in the event that such a prospect is identified prior to electing to drill a back-to-back well by 21 November 2016, the Company may substitute the drilling of the Warwick well for a more suitable prospect.

The Board's decision whether to exercise this option will be taken among other things in light of the preliminary work the Company is able to undertake prior to that date and the required regulatory approvals. If the Company does not exercise this option, the Company intends to drill the second well between April and September 2017, subject to rig availability.

3. Rig Contract

The Rig Contract was originally due to expire on completion of the Horizontal Sidetrack Well in October 2016. On 7 October 2016 and 14 October 2016, the Company and Transocean entered into the Rig Contract Amendments, pursuant to which Transocean granted the Company the following options to extend the Rig Contract:

- an option for running downhole gauges into well 7Z prior to temporary suspension, which the Company exercised on 14 October 2016;
- an option for a mutually agreed scope of work at the nearby 6 well, which the Company exercised on 14 October 2016;
- an option to drill one well on the Lincoln prospect, which the Company exercised on 19 October 2016;
- a further option to drill one well in the West of Shetland area (which includes Warwick), which the Company may exercise at any time up to 21 November 2016; and
- subject to Transocean's agreement, an option to drill a further well in the West of Shetland area, which the Company may exercise if it exercises its further option referred to above to drill a well in the West of Shetland area, and which is exercisable within 21 days following the commencement of that well.

4. Update on farmout

In June 2016, the Company temporarily suspended farmout discussions until completion of the Lancaster 7 Wells and subsequent analysis.

It is expected that the farmout process will recommence towards the end of the year once the Lancaster 7 Wells data has been fully analysed.

5. Interim results for the six months ended 30 June 2016

On 22 September 2016, the Company announced its interim results for the six months ended 30 June 2016. These are available from the Company's website at www.hurricaneenergy.com.

6. Use of proceeds

The gross proceeds receivable by the Company pursuant to the Fundraising will be £70 million, before expenses (excluding any proceeds of the Open Offer). The Company intends to use the net proceeds it receives from the Fundraising, together with its existing cash resources, to:

- advance the development of the Greater Lancaster Area fields by funding the FEED and certain other engineering studies for the EPS phase of the Lancaster development – approximately £7m;
- acquire the Subsea Equipment, buoy, mooring and control system long lead items for the EPS phase of Lancaster, including additional engineering work and contingency – approximately £21m; and
- further delineate the Greater Lancaster Area by drilling an exploration well on Lincoln and an exploration well on Warwick (or an exploration well on the Rona Ridge in place of Warwick, which has a risk profile no worse than that of Warwick, if deemed appropriate by the Board) – approximately £43m.

Given Hurricane's existing cash position, and assuming receipt of the net proceeds anticipated to be raised under the Placing, Hurricane's strategy is not contingent upon a full take-up under the Open Offer, and any Open Offer funds received will be additional to the Company's immediate funding requirements. The Open Offer will primarily be used to allow retail and other non-institutional Shareholders to participate in the Fundraising.

The amount of approximately £43m in relation to further drilling to delineate the Greater Lancaster Area assumes that Hurricane exercises its option under the Rig Contract Amendments by 21 November 2016 to use the Rig to drill a back-to-back well on Warwick or another Rona Ridge prospect which has a risk profile no worse than that of Warwick. If the Company does not exercise this option, and instead drills the second well between April and September 2017, there may be additional costs involved in securing a new rig.

7. The Placing and the Open Offer

7.1. Details of the Placing

The Company has conditionally raised £70 million (before expenses) through the issue of 205,882,353 Placing Shares to existing and other institutional investors at a price of 34 pence per Placing Share.

The Placing Shares will represent approximately 17.12 per cent. of the Enlarged Share Capital immediately following completion of the Fundraising assuming full take-up under the Open Offer.

The Placing Shares will be allotted and 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. Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission and dealings in Placing Shares will commence at 8.00 a.m. on 8 November 2016.

On 20 October 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 without amendment to be proposed at the General Meeting;

- the Rig Contract not having lapsed or been terminated or amended in any material respect (without the prior consent of the Joint Bookrunners which shall not be unreasonably withheld or delayed);
- the Placing Agreement having become unconditional (save for Admission) and not having been terminated in accordance with its terms prior to Admission; and
- Admission taking place by no later than 8.00 a.m. on 8 November 2016 (or such later date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 21 November 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.

7.2. *Related party transaction*

Kerogen Investor, by virtue of its holding of more than 10 per cent. of the Existing Ordinary Shares, is considered a related party of the Company under the AIM Rules and its participation in the Placing is considered a related party transaction under the AIM Rules. The Directors, having consulted with the Company's nominated advisor Cenkos, consider that the terms of the Placing are fair and reasonable insofar as Shareholders are concerned.

7.3. *Details of the Open Offer*

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate in the Fundraising on equivalent terms and conditions to the Placing, and accordingly the Company is making the Open Offer to Qualifying Shareholders. The Company is proposing to raise up to £4,402,241 (before expenses) through the issue of up to 12,947,767 Open Offer Shares.

The Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 34 pence per Open Offer Share, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility.

The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to places under the Placing.

Kerogen Investor has agreed not to subscribe for any Open Offer Shares under the Open Offer in order to allow for other Qualifying Shareholders to apply for Excess Shares under the Excess Application Facility.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

1 Open Offer Share for every 76 Existing Ordinary Shares held by the Shareholder on the Record Date

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying

Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 24 October 2016. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 7 November 2016. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 7 November 2016. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part III of this document.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of this document and on the accompanying Application Form.

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission (as the case may be). Accordingly, if the conditions to the Placing are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Registrars will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer 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.

7.4. Settlement and dealings

Application will be made to the London Stock Exchange for the admission of the Placing Shares and the Open Offer Shares to trading on AIM. On the assumption, among other things, that the Resolutions are passed, it is expected that Admission will occur and that dealings will commence at 8 a.m. on 8 November 2016 at which time it is also expected that the Placing Shares and the Open Offer Shares will be enabled for settlement in CREST.

8. Effect of the Fundraising

Upon Admission, and assuming full take up of the Open Offer Entitlements and no further exercise of options under the Company's share schemes, the Enlarged Share Capital is expected to be 1,202,860,397

Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 18.19 per cent. of the Company's Enlarged Share Capital.

Following the issue of the New Ordinary Shares pursuant to the Placing and the Open Offer, assuming full take up of the Open Offer Entitlements and no further exercise of options under the Company's share schemes, Qualifying Shareholders who do not take up any of their Open Offer Entitlements nor participate in the Placing will suffer a dilution of approximately 18.19 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full, and does not participate in the Placing, he will suffer a dilution of approximately 17.12 per cent. to his interest in the Company.

9. Management incentivisation arrangements

At the same time as the Fundraising, the Company intends to implement a new management incentivisation arrangement, being the Value Creation Plan.

The purpose of the Value Creation Plan is to incentivise, retain and reward executive Directors and other staff members and fully align the Hurricane management team with Shareholders. It has been proposed as an alternative to the existing Performance Share Plan to better reflect the Company's current and long-term strategy.

The participants in the Value Creation Plan will be entitled to subscribe for growth shares in a wholly owned subsidiary of the Company, Hurricane Group Limited (the "**Growth Shares**"). The Value Creation Plan has been designed so that participants will only benefit if exceptional, additional value is delivered to Shareholders.

The Value Creation Plan will run for five years from the date of grant of the Growth Shares (or vesting may occur earlier upon certain defined maturity events occurring). At the end of the performance period the value delivered to the participants will represent 10% of the increase in value of the Ordinary Shares above the Issue Price subject to a defined hurdle price (the "**Hurdle Price**") being achieved. The Hurdle Price will be set at approximately 61% above the Issue Price (being an implied 10% compound annual growth rate over the five year performance period). The proportion of the value increase that will ultimately be delivered to participants will also be subject to certain other performance targets having been met. Subject to these conditions and the Hurdle Price being reached, the participants will be entitled to sell their Growth Shares to the Company to be satisfied by the issue of new Ordinary Shares of an equivalent value.

For the avoidance of doubt, the Growth Shares will have no value if, at the relevant maturity event, the price per Ordinary Share is less than the Hurdle Price of £0.55 per Ordinary Share.

It is proposed that participation in the Value Creation Plan will be offered to the following executive Directors (in addition to other staff members):

<i>Name</i>	<i>Role</i>	<i>Percentage allocation of total Growth Shares</i>
Dr Robert Trice	Chief Executive Officer	14%
Neil Platt	Chief Operations Officer	14%
Alistair Stobie	Chief Financial Officer	14%

The awards mentioned above are conditional on the participants electing to participate in the Value Creation Plan failing which they will have the ability to remain within the existing Performance Share Plan (which shall be amended to align with the performance conditions in the Value Creation Plan). Any current employees wishing to join the Value Creation Plan, will surrender all interests in the current Performance Share Plan.

In the event that they elect to participate in the Value Creation Plan, participants will have the option of becoming employee shareholders under section 205A of the Employment Rights Act 1996 and, in such event, Growth Shares will, subject to the relevant statutory requirements, be issued within the employee shareholder scheme.

The existing NED Plan shall remain in place (which shall also be amended to align with the performance conditions in the Value Creation Plan).

10. Working capital

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

11. Risk factors and additional information

The attention of Shareholders is drawn to the risk factors set out in Part II of this document, which provide additional information on the Fundraising.

12. General Meeting

The Directors do not currently have authority to allot all the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares on a non pre-emptive basis at the General Meeting.

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 2.30 p.m. on 7 November 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 £218,830.12, being equal to 218,830,120 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares available under the Placing and the Open Offer); and
- Resolution 2, which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to issue and allot up to 218,830,120 New Ordinary Shares pursuant to the Placing and the Open Offer on a non-pre-emptive basis.

The authorities to be granted pursuant to the Resolutions will expire on the date falling six months from the date of the passing of the Resolutions (unless renewed varied or revoked by the Company before or on that date) and will be in addition to the Directors' authorities to allot relevant securities on a non pre-emptive basis granted at the Company's annual general meeting held on 8 June 2016.

13. Irrevocable undertakings

The Company has received irrevocable undertakings from Kerogen Investor, Awal Bank B.S.C 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 36.04 per cent. of the Existing Ordinary Shares. When aggregated with the holdings of the other Directors (which represent 0.15 per cent. of the Existing Ordinary Shares, and which the Directors intend to vote in favour of the Resolutions), these represent, in aggregate, approximately 36.19 per cent. of the Existing Ordinary Shares.

14. Action to be taken

In respect of the General Meeting

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 by post to the Company's registrars, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, as soon as possible, but in any event so as to be received by 2.30 p.m. on 5 November 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.

In respect of the Open Offer

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part III of this document and on the accompanying Application Form and return it with the appropriate payment by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to arrive no later than 11.00 a.m. on 7 November 2016.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part III of this document by no later than 11.00 a.m. on 7 November 2016.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

15. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part III of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that paragraph of this document.

16. 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 27,194,410 Ordinary Shares, representing 2.76 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

PART II

RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risk factors set out below as well as the other information contained in this document before making a decision whether to invest in the Company. The risks described below are not the only risks that the Group faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Group's operations. Any of these risks may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document and their personal circumstances.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Company. In particular the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

1. RISKS RELATING TO THE GROUP'S BUSINESS

1.1. **The Group may not be able to develop commercially its contingent and prospective resources**

The Company is an oil and gas exploration company focused on fractured basement reservoirs which has not yet begun to generate revenues and is not yet trading profitably. However, none of the assets has achieved commercial production to date and the commercial viability of each of the Company's assets is dependent on a range of factors, including establishing the presence of extensive fracture networks at such fields.

All the Group's assets are currently classified as Contingent or Prospective resources. The Group's success will depend upon converting its assets, that are currently classified as Contingent or Prospective resources, into reserves and commercial production. The resources may not be considered commercially recoverable by the Group for a variety of reasons, including the high costs involved in recovering the resources, the price of oil and gas at the time, the availability of the Group's operational resources and other development plans that the Group may have.

If the Group is not successful in achieving commercial production from its assets, or fails to meet its targeted production timelines, the Group's business, financial condition, results of operations and prospects would be materially adversely affected.

1.2. **The Group's business plan requires substantial capital expenditure and the future expansion and development of the Group's business may require additional capital. As such, the Group may not be able to generate sufficient cash flows or finance its activities in the longer term if it is unable to raise additional capital**

The Group's business plan to exploit and commercialise its assets will require significant capital expenditure. The Group will also be required to make substantial capital expenditure for the identification, acquisition, exploration, development and production of oil and gas resources and/or reserves in the future.

The Group has good visibility of its near term capital expenditure requirements, and specifically for the EPS phase on Lancaster and upcoming well drilling which are supported by detailed internally produced current year annual budgets. These annual budgets detail, *inter alia*, the necessary equipment, personnel and time lines for such programmes, and estimates for the year's expenditure based on the current market rates plus appropriate contingencies. In addition, regular meetings of management committees support forecast estimates for the work programme and expenditure in the next period.

However, in the longer term, future annual budgets may turn out to be higher than currently planned by the Group (for example, for reasons of oil industry-wide cost inflation, project delays or redesign, new technology, acceleration of work programmes in particular decommissioning, and/or best practice for seismic, drilling, development and/or decommissioning and other operations) and the Group may need to seek additional funds at that time to cover increased costs or the fact that the Group may no longer be tax optimised as planned due to unforeseen or earlier than expected costs, which it may not be able to secure on reasonable commercial terms or at all or it may need to divert funds from other projects to satisfy the increased capital expenditure requirements. If this happens, it may have a material adverse effect on the Group's business and financial condition in the longer term.

The Group currently intends to use the net proceeds from the Fundraising to (i) advance the development of the Greater Lancaster Area fields by funding the FEED and certain other engineering studies for the EPS phase of Lancaster; (ii) acquire the Subsea Equipment, buoy, mooring and control system long lead items for the EPS phase of Lancaster; and (iii) further delineate the Greater Lancaster Area by drilling an exploration well on Lincoln and an exploration well on Warwick or another Rona Ridge prospect which has a risk profile no worse than that of Warwick, if deemed appropriate by the Board.

However, given that the Group's business involves substantial capital expenditure, it would require additional capital to fund expenditure beyond the above mentioned work programme. In the opinion of the Directors, subject as referred to in paragraph 1.16 below, the net proceeds of the Fundraising receivable by the Company will be sufficient to finance such work programme, and beyond this, the Group may enter into arrangements for debt or equity financing for its operations or exploration, appraisal, development or production plans. However, there is no assurance that the Group will be able to generate sufficient internal cash flow, or that additional debt or equity financing, will be available, or will be sufficient, to meet the Group's funding requirements in the longer term to pursue its future strategic decisions, or that, if additional debt or equity financing is available, it will be on terms acceptable to the Group given, for example in the context of debt financing, the limited amount of cash reserves the Group currently has.

More generally, the Group may not be able to generate sufficient cash flows or finance its activities in the longer term if it is unable to raise additional capital. The Group's inability to access sufficient capital for its operations may have a material adverse effect on its business, financial condition, results of operations and prospects.

1.3. The Group's operation and success depends on its ability to explore, appraise and develop oil and gas resources, in particular fractured basement reservoirs, that are economically recoverable

The Group's long-term commercial success depends on its ability to explore, appraise, develop and commercially produce oil and gas resources. Future increases in the Group's resources or conversion of any of them into reserves will depend not only on its ability to explore, appraise and develop its existing assets but also on its ability to select and acquire suitable additional assets either through awards at licensing rounds or through acquisitions. From time to time the Group may submit applications for further licences in the UKCS. However, there can be no assurance that the Group will be awarded such licences, that the Group will accept such licences (if so awarded) or that the Group will be able to commercially develop the assets which are the subject of such licences.

There are many reasons why the Group may not be able to find or acquire oil and gas reserves or resources or develop them for commercially viable production. For example, the Group may be unable to negotiate commercially reasonable terms for its acquisition, appraisal, development or production activities. Factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the political, environmental and other conditions in the areas where the reserves or resources are located or through which the Group's products are transported may increase costs and make it uneconomical to develop potential reserves or resources. The Group is exploring in remote geographical areas with a lack of existing infrastructure, where environmental conditions are challenging and costs can be high. The costs of drilling, completing and operating wells is often uncertain. As a result, the Group may incur cost overruns or may be required to curtail, delay or cancel drilling operations because of many factors, including unexpected drilling conditions, unforeseeable operating problems, irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with environmental regulations, governmental requirements and shortages and delays in the availability of drilling rigs and the delivery of equipment. Without successful acquisition or exploration activities, the Group's resources, production and revenues (if achieved) will decline. There is no assurance that the Group will discover, acquire or develop further commercial quantities of hydrocarbons.

In particular, the Company is an oil and gas exploration company focused on fractured basement reservoirs. Although the occurrence of naturally fractured basement reservoirs has been known within the oil and gas industry for a number of years, few of these reservoirs have historically been optimally exploited or exploited at all. Fractured basement reservoirs, where permeability is limited to the fractured reservoirs (Type 1 fractured basement reservoirs), which are the type of fractured basement reservoirs the Company is exploring, are more difficult and expensive to evaluate in the exploration and appraisal phase than sandstone reservoirs due to, amongst other factors, their heterogeneous nature and the difficulty in quantifying fluid distributions (water and oil) due to the inability to apply traditional wireline water saturation techniques to a Type 1 fractured basement reservoir. Although there have been recent advances in subsurface data acquisition technology, including 3D seismic, challenges remain in locating and identifying fractures determining the size and shape of drainage area, mapping formation water distribution and determining the precise location in which to drill. The techniques presently available to engineers and geologists to identify the existence and location of hydrocarbons are not infallible. Personal subjective judgement of engineers and/or geologists is involved in the selection of any prospect for drilling.

In addition, there can be no assurance that the Group will be able to develop its resources for commercial viable production. Such challenges and the failure to develop its resources for commercial viable production could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.4. The Group's operations are dependent on the availability of drilling and other equipment and independent contractors

As described in paragraph 1.16 below, if the Company does not exercise its option under the Rig Contract Amendments to use the Rig to drill a back-to-back well this year, there is a risk that the Company will be unable to obtain a suitable rig to drill the second well between April and September 2017, or that there will be a delay before the Company is able to obtain a suitable rig.

More generally, the Group's operations are dependent on the availability of rigs, other drilling equipment and offshore services, including third party services in the UKCS. The Group contracts or leases services and equipment from third party providers and suppliers. Such equipment and services may be scarce and may not be readily available at the times and places required and/or the specific service providers that the Group wishes to engage with may not be available at the relevant times. In addition, different types of fields require different types of rigs – the availability of which is, amongst other things, linked to the rig specifications. Even where the Group has secured rigs under a contract, the rigs will usually only be available for use after the current user has finished its drilling programme. If there are delays in the completion of the user's current drilling programme, the Group could be

delayed in procuring contracted rigs. Under the terms of its licences, the Group may have a commitment to drill within a certain time frame. The Group, therefore, risks losing licences if it is delayed in obtaining, or fails to obtain, rigs and thus fails to meet its drilling commitments.

The scarcity of third party services and equipment (specifically, rigs and long lead items) as well as any increases in their costs, together with the failure of a third party provider or supplier to perform its contractual obligations, or an inability to achieve a commercially viable contract with a third party provider or supplier could delay, restrict or lower the profitability and viability of the Group's activities. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In particular, the EPS phase requires the construction and/or commissioning of production facilities and other forms of infrastructure on Lancaster. The Group's ability to proceed with and deliver the EPS phase is dependent on the Company being funded and able to contract third party services and equipment (specifically, rigs and long lead items) to ensure that the fabrication, modification, construction, delivery, transportation, installation and commissioning of all materials and equipment required for the EPS phase can be undertaken in a timely and cost effective manner. Prior to the Company sanctioning the EPS phase, any delay or increase in costs, or failure by a third party provider or supplier to perform its contractual obligations, could lower the profitability of the EPS phase and restrict the Company's ability to fund and/or approve the EPS phase. After sanction of the EPS phase, any such delay or increase in costs could delay the commencement of production of hydrocarbons from EPS and lower the overall profitability of the EPS phase, consequently restricting the Company's future revenues and operational activities.

1.5. The Assets are located in areas subject to variable weather conditions which may restrict the periods in which the Group can implement its drilling programme

The operations of the Group with respect to the assets have historically been seasonal due to weather conditions affecting all of the assets. In particular, implementation of its drilling programme in the West of Shetland may be restricted outside the April to September period due to the adverse weather conditions outside of these months. In particular, the Group is exposed to a higher risk of non-production time as a result of waiting on weather during the winter months. Accordingly, weather conditions could impede the Group's drilling and testing operations for its assets and otherwise have a material adverse effect on its business, financial condition, results of operations and prospects.

1.6. Treatment of produced water and associated gas could result in significant financial and technical costs

There may be unforeseen liabilities resulting from the associated gas produced from the oil wells of the Group. The production of such associated gas may result in the Company incurring significant financial and technical costs to meet its environmental liabilities. Any associated gas produced from the oil wells of the Group will need to be either exported, re-injected into a reservoir or flared. Accordingly, excess gas content could adversely impact project economics and profitability. Controls on the quantities of oil that can be discharged in process waters in the course of offshore operations have been implemented in the UK by the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (as amended). Under these Regulations, all releases and discharges of oil are prohibited unless in accordance with the terms of and conditions attached to a permit. The Secretary of State may attach conditions to such permits which are calculated to ensure that the concentration, frequency, quantity, location or duration of any discharge is subject to appropriate restrictions, and that appropriate measures are taken to minimise pollution, including the appropriate use of technology to limit discharges.

In particular, the EPS phase on Lancaster is being carried out to evaluate sustainable and commercial reservoir performance over an extended period of time, including whether or not the volume of water produced (if any) can be responsibly managed in a cost effective manner. There is a risk, following the commencement of production of hydrocarbons at Lancaster during the EPS phase, that there is a greater than anticipated volume of produced water which cannot be managed in a cost effective and

operationally responsible manner, and that the level of production from the EPS phase of Lancaster may be restricted and/or result in a temporary or permanent cessation of production of hydrocarbons from Lancaster. Further, any such curtailment of production at Lancaster as a consequence of excessive water production during production operations may have a material adverse effect on the Group's ability to fund and/or proceed with the development of the Greater Lancaster Area.

1.7. The Group may be unable to acquire, retain, convert or renew the licences, permits and other regulatory approvals necessary for its operations

The ability of the Group to develop and exploit oil and gas resources depends on the Group's continued compliance with the obligations of its current licences and the Group's ability to move into the production phase of each licence. The Group depends on licences whose grant and renewal is subject to the discretion of the relevant governmental authorities and cannot be assured. There can also be no assurance that the Group will be able to identify suitable licensing acquisition opportunities or that the Group will be able to make such acquisitions on appropriate terms.

It is also possible that the Group may be unable or unwilling to comply with the terms or requirements of the licences it holds, including the meeting of specified deadlines for prescribed tasks and other obligations set out in the work programmes attached to the licences. Non-compliance with these obligations may lead to revocation of the licence. Whilst in certain circumstances the relevant authority may agree to an extension of time to enable the licensee to agree to the obligation in question there is no guarantee that an extension will be given.

The Group, therefore, risks losing licences if it is delayed in obtaining, or fails to obtain, rigs and thus fails to meet its drilling commitments.

1.8. The Group's success is dependent upon its ability to attract and retain key personnel

The Group's success depends, to a large extent, on certain of its key personnel having expertise in the areas of exploration and development, operations, engineering, business development, oil and gas marketing, finance and accounting. The Group was founded by Dr Trice and since then a number of key people have been retained by the Group and these people are influential to the development and continued operation of the Group's business. The loss of the services of any key personnel (in particular Dr Trice) could have a material adverse effect on the Group.

The Group does not maintain, nor does it plan to obtain, insurance against the loss of any of its key personnel. In addition, the competition for qualified personnel in the oil and gas industry is intense. There can be no assurance that the Group will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

1.9. The Group may be unable to manage the growth in its operations

The Group has experienced significant growth and development in a relatively short period of time. Management of that growth requires, among other things: implementation and continued development of financial, management and other controls, including financial and reporting procedures, and information technology systems; and hiring, training, motivating and retaining quality personnel. Failure to successfully manage the Group's business and expected growth and development could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Further, no assurance can be given that the Group's investment strategies can be implemented in the future.

1.10. Fluctuations in currency exchange rates may materially and adversely affect the Group's financial condition and results of operation

The drilling rig contracts and certain other drilling equipment and offshore services contracts that the Group enters into are denominated in US dollars. In addition, the Group's cash and cash equivalents are predominately held in sterling although the Group holds cash balances in US dollars to meet actual

or expected commitments in that currency. As a result, the Company is potentially exposed to adverse fluctuations in the exchange rates between sterling and US dollars.

1.11. Future litigation could adversely affect the Group's business, results of operations or financial condition

Damages and/or other remedies claimed under any litigation are difficult to predict, and may be material. The outcome of such litigation may materially impact the Group's business, financial condition, results of operations and prospects. While the Group will assess the merits of each lawsuit and defend itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, adverse publicity surrounding such claims may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.12. The Group cannot accurately predict its future decommissioning liabilities

The Group, through its licence interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields and related infrastructure. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the Group will incur in satisfying its decommissioning obligations. When its decommissioning liabilities crystallise, the Group will be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the Group will remain liable and its decommissioning liabilities could be magnified significantly through such default. Any significant increase in the actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition.

1.13. The Group may farm down part of its licence interests and may rely on third parties to operate such licence interests and/or certain wells

In due course the Group may, subject to Oil and Gas Authority consent, farm down part of its licence interests to third parties, some of which may act as operator. Operating agreements with third party operators typically provide for a right of consultation or consent in relation to significant matters and generally impose standards and requirements in relation to the operator's activities. However, in the event that the Group does not act as operator in respect of certain of its licence interests and/or wells, the Group will generally have limited control over the day-to-day management or operations of those assets and will therefore be dependent upon the third party operator. A third party operator's mismanagement of an asset may result in significant delays or materially increased costs to the Group. The Group's return on assets operated by others will therefore depend upon a number of factors that may be outside the Group's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Generally, failure by any licence partner (whether the operator or otherwise) to fulfil its financial obligations may increase the Group's exposure related to the licence in question. Any significant increase in costs as a consequence of joint and several liabilities may materially adversely affect the financial condition of the Group.

1.14. Reliance on third party infrastructure

The Group's activities and business model of field development are dependent upon the availability of third party infrastructure which if it fails, or is not, or ceases to be, available on reasonable commercial terms, or at all, may result in delays to field development and production or impossibility of field development and production which would result in delayed, lower than expected or no cash generation by the Group. This would have a material adverse effect on the Group's business, prospects, financial condition and operations.

1.15. The Group will incur Rig costs for the proposed Lincoln well if Shareholders do not approve the Fundraising and the Lincoln well cannot be drilled

On 19 October 2016, the Company exercised its option under the Rig Contract Amendments to use the Rig to drill one well on the Lincoln prospect. This is not conditional on Shareholders approving the Fundraising or on the Fundraising proceeding. Accordingly, if Shareholders do not approve the Fundraising or the Fundraising does not otherwise proceed, the Company is likely to have to terminate the contracted use of the Rig. In these circumstances, the Company will incur an early termination fee of approximately USD7.5 million.

1.16. The Group may incur additional costs in securing a new rig if the option to use the Rig to drill a second well is not exercised by 21 November 2016 and may be unable to secure a suitable new rig

If the Company does not exercise its option, which expires on 21 November 2016, under the Rig Contract Amendment to use the Rig to drill a back-to-back well on Warwick or on a Rona Ridge prospect which has a risk profile no worse than that of Warwick, there may be additional costs involved in securing a new rig to drill the second well between April and September 2017. In the event that there are such additional costs, there is no certainty that the Company will be able to fund those additional costs from its existing resources or will be able to raise additional funds to cover such increase in costs. There is also a risk that, in these circumstances, the Company will be unable to obtain a suitable rig to drill the second well between April and September 2017 or that there will be a delay before the Company is able to obtain a suitable rig.

2. RISKS RELATED TO THE OIL AND GAS INDUSTRY

2.1. A material decline in oil and gas prices may adversely affect the Group's results of operations and financial condition, and prices may not return to levels seen in recent years

Both oil and gas prices can be volatile and subject to fluctuation in response to relatively minor changes in the supply of, and demand for, oil and gas, market uncertainty and a variety of additional factors that are beyond the control of the Group. Historically and indeed recently, oil and gas prices have fluctuated widely for many reasons, including global and regional supply and demand; political, economic and military developments in oil and gas producing regions, particularly the Middle East; domestic and foreign governmental regulations and actions; global and regional economic conditions and weather conditions and natural disasters. It is impossible to predict accurately future oil and gas price movements. Accordingly, oil and gas prices may not remain at their current levels. Although the Group is not yet an active producer of oil and gas, declines in oil and gas prices may adversely affect market sentiment and as a consequence the market price of the Ordinary Shares and furthermore affect the Group's cash flow, liquidity and profitability, and limit the amount of oil and gas that the Group could potentially market in the future.

Although oil and gas prices have fallen significantly since mid 2014, they may not return to levels previously seen within any foreseeable timeframe.

The Group can give no assurance that future prices for oil and gas will be sufficient to generate an economic return. Any further decline in such prices could result in reduced cash flows from the Group's assets and a reduction in the valuation of the Group's assets, which in turn may result in a reduction in the debt available to the Group. This would have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

2.2. Conservation measures and technological advances could reduce demand for oil and natural gas

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy-generation devices could reduce demand for oil and natural gas. The impact of the changing demand for oil and natural gas services and products may have a material adverse effect on the Group's business, financial condition and results of operations.

2.3. **Estimation of reserves, resources and production profiles is not exact**

The estimation of oil and gas reserves, and their anticipated production profiles, involves subjective judgements and determinations based on a number of variable factors and assumptions, such as expected reservoir characteristics based on geological, geophysical and engineering assessments, future production rates based on historical performance and expected future operating investment activities, future oil and natural gas prices and quality differentials, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. They are not exact determinations and are inherently uncertain. In addition, these judgements may change based on new information from production or drilling activities or changes in economic factors, as well as from developments such as acquisitions and disposals, new discoveries and extensions of existing fields and the application of improved recovery techniques. Published reserve estimates are also subject to correction for errors in the application of published rules and guidance.

The reserves, resources and production profile data contained in this document are estimates only and should not be construed as representing exact quantities. They are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group. The estimates may prove to be incorrect and potential investors should not place undue reliance on the forward-looking statements contained in this document concerning the Group's reserves and resources or production levels.

If the assumptions upon which the estimates of the Group's reserves, resources or production profiles have been based prove to be incorrect, the Group may be unable to recover and produce the estimated levels or quality of oil and gas set out in this document and this may have a material adverse effect on the Group's business.

2.4. **The Group may miss out on operational opportunities if it is unable to successfully co-ordinate its exploration projects**

The Group's operational projects require key asset delivery personnel to be resourced and the co-ordination of a number of activities including obtaining seismic data, carrying out subsea surveys and securing rig capacity for the necessary drilling. There are long lead times to arrange these activities and if the Group fails to successfully obtain the necessary personnel in time or to co-ordinate the timely delivery or completion, as the case may be, of any of these activities, it may miss out on operational opportunities or may be required to incur additional expenditure. The Group's exploration projects also require the procurement of long lead items such as rig contracts, well heads, well test equipment and specialist logging tools. A failure to procure these items in a timely manner may delay operations and increase expenditure.

2.5. **Exploration and appraisal projects do not necessarily result in a profit on the investment or the recovery of costs**

Exploration and appraisal activities are capital intensive and inherently uncertain in their outcome. The Group's oil and gas exploration and appraisal projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity, adverse geological conditions and technical and operational difficulties as a result of the water depth and strata depth of the drilling environment (including operational difficulties in avoiding drilling fluid losses and preventing substantial formation damage during drilling) and other factors. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over

time, production delays and declines from normal field operating conditions cannot be eliminated and may adversely affect the Group's business, financial condition, results of operations and prospects.

2.6. The Group's operations are subject to a number of risks and hazards that may result in material losses in excess of insurance proceeds

Oil and gas exploration, development and production operations are inherently risky and hazardous. Risks typically associated with these operations include unexpected formations or pressures, premature decline of reservoirs, drilling damage (which can lead to reduced productivity), early water encroachment and the intrusion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on the Group's business, financial position, results of operations and prospects. Hazards typically associated with offshore oil and gas exploration, development and production operations include fires, explosions, blowouts, marine perils (including severe storms and other adverse weather conditions which may restrict the periods in which the Group can implement its drilling programme), vessel collisions, gas leaks and oil spills, each of which could result in substantial damage to oil and gas wells, production facilities, other property and the environment or in personal injury or could result in government intervention which could in turn negatively impact on the Group's operations. Oil and gas installations are also known to be likely objects, and even targets, of military operations and terrorism.

Although the Group will exercise due care in the conduct of its business and obtains insurance prior to drilling in accordance with industry standards to cover certain of these risks and hazards, insurance is subject to limitations on liability and, as a result, may not be sufficient to cover all of the Group's losses. In addition, the risks or hazards associated with the Group's operations may not in all circumstances be insurable or, in certain circumstances, the Group may elect not to obtain insurance to deal with specific events due to the high premiums associated with such insurance or for other reasons. The occurrence of a significant event against which the Group is not fully insured, or the insolvency of the insurer of such event, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.7. The Group's business is subject to government regulation with which it may be difficult to comply and which may change

The Group's oil and gas operations are principally subject to the laws and regulations of England (and in certain instances Scotland), including those relating to health and safety, the environment and the production, pricing and marketing of oil and gas. In addition, the Group will be subject to laws affecting taxation, royalties and duties. In order to conduct its operations in compliance with these laws and regulations, the Group must obtain licences and permits from various government authorities. The grant, continuity and renewal of the necessary approvals, permits, licences and consents, including the timing of obtaining such licences and the terms on which they are granted, are subject to the discretion of the relevant governmental and local authorities in the United Kingdom and cannot be assured. In addition, the Group may incur substantial costs in order to maintain compliance with these existing laws and regulations and additional costs if these laws are revised or if new laws affecting the Group's operations are passed. No assurance can be given that relevant governments and local authorities will not revoke, or significantly alter the conditions of, the applicable exploration and development approvals, permits, licences and consents or that such exploration and development approvals, permits, licences and consents will not be challenged or impugned by third parties.

2.8. The Group's operations expose it to significant compliance costs and liabilities in respect of EHS matters

The Group's operations and assets are affected by numerous laws and regulations concerning EHS matters including, but not limited to, those relating to discharges of hazardous substances into the environment, the handling and disposal of waste and the health and safety of employees. The technical requirements of these laws and regulations are becoming increasingly complex, stringently enforced and expensive to comply with and this trend is likely to continue. Any failure to comply with EHS

laws and regulations may result in regulatory action (which strict, joint and several liability can include statutory orders requiring steps to be taken or prohibiting certain operations), the imposition of fines or the payment of compensation to third parties. All of these liabilities and any other regulatory actions could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.9. A violation of EHS requirements and the occurrence of any accidents could disrupt the Group's operations and increase operating costs

EHS authorities such as Department for Business, Energy & Industrial Strategy, the Health and Safety Executive and the Offshore Safety Directive Regulator have extensive enforcement powers under EHS laws. These powers extend to statutory notices to require operational steps and to prohibit certain activities or operations until compliance is achieved. A violation of EHS laws or failure to comply with the instructions of the relevant EHS authorities could therefore lead to, among other things, a temporary shut down of all, or a portion of, the Group's facilities and the imposition of costly compliance procedures. If EHS authorities shut down all, or a portion of, the Group's facilities or impose costly compliance measures, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected.

The nature of the Group's operations creates a risk of accidents and fatalities among its workforce, and the Group may be required to pay compensation or suspend operations as a result of such accidents or fatalities, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.10. The Group operates in a competitive industry

The Group competes for scarce resources with numerous other participants, including major international oil and gas companies, in the search for and the acquisition of oil and gas assets, and in the marketing of oil and gas. The Group's ability to increase resources and create reserves in the future will depend not only on its ability to exploit and develop its present assets but also on its ability to select and acquire suitable producing assets or prospects for exploratory or appraisal drilling. A number of the Group's competitors have substantially greater financial and personnel resources. Larger and better capitalised competitors may be in a position to outbid the Company for particular licences and such competitors may be able to secure rigs for drilling operations preferentially to the Company. These competitors may also be better able to withstand sustained periods of unsuccessful drilling. Larger competitors may be able to absorb the burden of any changes in law and regulations more easily than the Company, which would adversely affect its competitive position. In addition, many of the Group's competitors have been operating for a much longer time and have demonstrated the ability to operate through industry cycles.

The Group's competitors have strong market power as a result of several factors, including the diversification and reduction of risk, including geological, price and currency risks; greater financial strength facilitating major capital expenditures; greater integration and the exploitation of economies of scale in technology and organisation; strong technical experience; increased infrastructure and reserves and strong brand recognition. In addition, there is an increased risk of competition should these companies decide to expand their operations into exploiting fractured basement reservoirs. Due to this competitive environment, the Group may be unable to acquire attractive, suitable assets, licences or prospects on terms that it considers acceptable. As a result, the Group's revenues may be adversely affected, thereby materially and adversely affecting its business, financial condition, results of operations and prospects.

Generally, risk is reduced through diversification. Diversification is maximised for example by drilling a large number of wells on a large number of exploration prospects having differing geological characteristics, in differing regulatory jurisdictions. The Group's current strategy is heavily focussed on offshore UK, and therefore has limited diversification in terms of the jurisdictions that it operates in.

2.11. The Group's tax liability could increase substantially as a result of changes in, or new interpretations of, tax laws in the United Kingdom

The Group is subject to taxation in the United Kingdom where it is faced with increasingly complex tax laws. The amount of tax the Group pays could increase substantially as a result of changes in, or new interpretations of, these laws, which could have a material adverse effect on its liquidity and results of operations. During periods of high profitability in the oil and gas industry, there are often calls for increased or windfall taxes on oil and gas revenue. Taxes have increased or been imposed in the past and may increase or be imposed again in the future. Levels of taxation relief may also decrease or be no longer available to the Group due to changes in, or new interpretations of, tax laws. In addition, taxing authorities could review and question the Group's tax returns leading to additional taxes and penalties which could be material. The tax treatment of decommissioning expenditure (where relevant) could also have a material impact on the economics of the Group's assets.

2.12. Macroeconomic risks could result in an adverse impact on the Group's financial condition

Global economic slowdowns may adversely affect the Group's major operations. The links between economic activities in different markets and sectors are complex and depend not only on direct drivers such as the balance of trade and investment between countries, but also on domestic monetary, fiscal and other policy responses to address macroeconomic conditions.

2.13. Risk of crime and corruption

Oil and gas companies have been known to experience high levels of criminal activity and governmental and business corruption. They may be particular targets of criminal or terrorist actions. Criminal, corrupt or terrorist action against the Group and its directly or indirectly held assets or facilities could have a material adverse impact on the Group's business, results of operations or financial condition. In addition, the fear of criminal or terrorist actions against the Group could have an adverse effect on the ability of the Group to adequately staff and/or manage its operations or could substantially increase the costs of doing so.

The Company is not aware of any current or threatened investigations relating to or any adverse findings against the Company or any of its directors, employees, officers or joint venture partners. If any such investigations are made and substantiated in future against the Company, its directors, officers, employees or potentially its joint venture partners, or such persons are found to be involved in corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against the Company, its directors, officers or employees. Any such findings in the future could damage the Company's reputation and its ability to do business and could adversely affect its financial condition and results of operations. Furthermore, alleged or actual involvement in corrupt practices or other illegal activities by any joint venture partners of the Company, or others with whom the Company directly or indirectly conducts business, could also damage the Company's reputation and business and adversely affect the Company's financial condition, results of operations and prospects.

2.14. The Group is subject to cyber risks

The Group is at risk of financial loss, reputational damage and general disruption from a failure of its IT systems or an attack for the purposes of espionage, extortion, terrorism or to cause embarrassment. Any failure of, or attack against, Hurricane's IT systems may be difficult to prevent or detect, and Hurricane's internal policies to mitigate these risks may be inadequate or ineffective. Hurricane may not be able to recover any losses that may arise from a failure or attack.

2.15. The Group faces risks relating to the UK's membership of the European Union and the possible future independence of Scotland

A referendum was held in the UK on 23 June 2016 on whether the UK will remain a member of the European Union, the result of which was a vote to leave. The Group faces risks associated with the potential uncertainty during the period following the referendum. The consequences that may flow

from exiting the European Union are at this stage uncertain. Leaving the European Union could materially change the legal and regulatory framework that would be applicable to the Group's operations in the future. It is not possible to predict whether the consequences of these uncertainties will have a positive or negative impact on the Group's business, financial condition, results of operations and prospects.

There will also be potential uncertainty in the case of any future vote on independence in Scotland, for example resulting from the decision in the UK referendum on 23 June 2016 to leave the European Union. It is uncertain whether the consequences of independence in Scotland would have a positive or negative impact on the Group's business and prospects, for example on the Group's ability to obtain services from Scottish companies and on the economic rates at which the Group may be able to deliver hydrocarbons into Scotland in future.

3. RISK FACTORS RELATING TO THE OPEN OFFER AND THE ORDINARY SHARES

3.1. Future sales of Ordinary Shares could adversely affect the market price of the Ordinary Shares

Sales of additional Ordinary Shares into the public market following the Open Offer could adversely affect the market price of the Ordinary Shares if there is insufficient demand for the Ordinary Shares at the prevailing market price.

3.2. If Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the Open Offer in the form currently envisaged

Resolution 1 to be proposed at the General Meeting will be proposed as an ordinary resolution and, in order to be passed, will require the support of a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. Resolution 2 to be proposed at the General Meeting will be proposed as a special resolution and, to be passed, will require the support of not less than 75 per cent. of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. The Open Offer is conditional, *inter alia*, on the passing of Resolutions 1 and 2.

In the event that Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the Fundraising, with the result that the anticipated net proceeds of the Fundraising will not become available to fund proposed upcoming expenditure and achieve the objectives currently pursued by the Board. The Group's business plan and growth prospects may be adversely affected as a result.

3.3. Holders of Existing Ordinary Shares who do not acquire Open Offer Shares pursuant to the Open Offer will experience a further dilution of their percentage ownership of the Company's Ordinary Shares

The proportionate ownership and voting interest in the Company of Shareholders not participating in the Placing will be reduced pursuant to the Placing. Shareholders' proportionate ownership and voting interest in the Company will be further reduced pursuant to Open Offer to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

3.4. There is no public market for the Ordinary Shares in the United States or elsewhere outside the United Kingdom

Neither the Placing nor the Open Offer will be registered under the US Securities Act or the relevant laws of any state or other jurisdiction of the United States or those of any of the Restricted Jurisdictions and New Ordinary Shares may not be resold, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any other applicable security laws. The Ordinary Shares have not been registered under the US Exchange Act and are not listed on any US

securities exchange or interdealer quotation system. The Company has no intention to file any such registration statement or list the Ordinary Shares on any securities exchange or interdealer quotation system (other than AIM). As a consequence, an active trading market is not expected to develop for the Ordinary Shares outside the United Kingdom and investors outside the United Kingdom may not be able to sell the Ordinary Shares or achieve an acceptable price. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

3.5. Pre-emption rights may not be available to Overseas Shareholders of Ordinary Shares

In the case of certain increases in the Company's issued share capital, holders of Ordinary Shares have the benefit of statutory pre-emption rights to subscribe for such shares, unless Shareholders waive such rights by a resolution passed at a Shareholders' meeting, or in certain other circumstances. United States and other overseas holders of shares are very likely to be excluded from exercising any such pre-emption rights they may have, unless a registration statement under the US Securities Act is effective with respect to those rights, or an exemption from the registration requirements under the US Securities Act is available. The Company is unlikely to file any such registration statement, and the Company cannot assure prospective investors that any exemption from those registration requirements would be available to enable United States or other overseas shareholders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

3.6. Shareholders may be exposed to fluctuations in currency exchange rates

The Existing Ordinary Shares and the New Ordinary Shares are priced in pounds sterling, and will be quoted and traded in pounds sterling. Accordingly, Shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against pounds sterling, which may reduce the value of the Ordinary Shares. This is particularly relevant given the uncertainty around the UK's exit from the European Union.

3.7. The ability of Overseas Shareholders to bring actions or enforce judgements against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgement against the Company, the Group or some or all of the Directors and executive officers. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Company or the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Company or the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Company or the Directors and executive officers' judgements of courts of securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgements in civil and commercial matters or any judgements under the securities laws of countries other than the UK against the Company or the Directors or executive officers who are residents of the UK or countries other than those in which judgement is made. In addition, English or other courts may not impose civil liability on the Company or the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

3.8. The New Ordinary Shares may not be suitable as an investment

The New Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, investors are advised to consult an independent investment adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. The value of the New Ordinary Shares and any income received from them can go down as well as up and investors may get back less than their original investment.

3.9. The Company's securities are traded on AIM rather than the Official List

The Existing Ordinary Shares are, and the New Ordinary Shares will be, traded on AIM rather than the Official List. An investment in shares traded on AIM may carry a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Group's sector and other events and factors outside of the Group's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares may be volatile and could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares.

3.10. The Company's share price fluctuates

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares (or securities similar to them). Such risks depend on the market's perception of the likelihood of success of the Fundraising, and/or may occur in response to various facts and events, including any variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares and investors may, therefore, not recover their original investment.

Any sale of Ordinary Shares could have an adverse effect on the market price of the Ordinary Shares. Furthermore, it is possible that the Company may decide to offer additional shares in the future. An additional offering could also have an adverse effect on the market price of the Ordinary Shares.

3.11. The Company does not plan on making dividend payments in the foreseeable future

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and will depend on, among other things, the Company's results of operations and financial condition, its future business prospects, any applicable legal or contractual restrictions and availability of profits. A dividend may never be paid and, at present, there is no intention to pay a dividend.

3.12. Major shareholder Kerogen Investor is able to exercise significant influence over matters requiring Shareholder approval

Kerogen Investor currently owns 29.9 per cent. in aggregate of the Existing Ordinary Shares.

As a result, Kerogen Investor is able to exercise a significant degree of influence over matters requiring Shareholder approval, including the election of Directors and significant corporate transactions. Kerogen Investor is participating in the Placing *pro rata* to its current shareholding in the Company.

The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority. The investment offered in this document may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser and who or which specialises in investments of this kind before making a decision to apply for New Ordinary Shares.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chairman set out in Part I of this document, the Company has conditionally raised £70 million (before expenses) through the issue of 205,882,353 Placing Shares to institutional and other investors pursuant to the Placing at a price of 34 pence per New Ordinary Share, and is proposing to raise up to £4,402,241 (before expenses) in addition and separate to the funds raised pursuant to the Placing, through the issue of Open Offer Shares to Qualifying Shareholders at the Issue Price.

The Issue Price represents a discount of 12.26 per cent. to the closing middle market price of 38.75 pence per Existing Ordinary Share on 19 October 2016, being the last practicable date before the announcement of the Fundraising, and a discount of 11.13 per cent. to the 30 trading day volume weighted average price of 38.26 pence per Ordinary Share.

The purpose of this Part III is to set out the terms and conditions of the Open Offer. Up to 12,947,767 Open Offer Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 18 October 2016. Qualifying Non-CREST Shareholders will have received Application Forms with this document and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 24 October 2016.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part IV of this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 7 November 2016 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 8 November 2016.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part III, which gives details of the procedure for application and payment for the Open Offer Shares and an Excess Shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 12,947,767 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply

for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

1 The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 1 Open Offer Share for every 76 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of the Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6) and your Open Offer Entitlements (in Box 7).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 24 October 2016. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV of this document and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part III for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1.6 and 3.2.11 of this Part III for further details of the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue

of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III.

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2 Conditions and further terms of the Open Offer

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Placing are:

- (a) the passing of the Resolutions without amendment at the General Meeting;
- (b) the Rig Contract not having lapsed or been terminated or amended in any material respect (without the prior consent of the Joint Bookrunners which shall not be unreasonably withheld or delayed);
- (c) the Placing Agreement having become unconditional (save for Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (d) Admission becoming effective by no later than 8.00 a.m. on 8 November 2016 (or such later date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 21 November 2016).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 22 November 2016.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 8 November 2016.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 8 November 2016, when dealings in the Open Offer Shares are expected to begin.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

3 Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form should have received the Application Form, enclosed with this document. The Application Form shows the number

of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2.6 of this Part III.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

3.1 *If you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer:*

3.1.1 *General*

Subject to paragraph 6 of this Part III in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the Open Offer Entitlement allocated to them set out in Box 7. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 8 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Shares will be scaled back pro-rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

3.1.2 *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 3 November 2016. The Application Form is not a negotiable document and cannot be

separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 11 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 of this Part III below.

3.1.3 *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, or returned by hand (during normal business hours only) so as to be received by Computershare at The Pavilions, Bridgwater Road, Bristol, BS13 8AE by no later than 11.00 a.m. on 7 November 2016. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 7 November 2016. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (a) Application Forms received after 11.00 a.m. on 7 November 2016; or
- (b) Applications in respect of which remittances are received before 11.00 a.m. on 7 November 2016 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

3.1.4 *Payments*

All payments must be in pounds sterling and made by cheque made payable to Computershare Investor Services RE: Hurricane Energy plc – Open Offer Account and crossed “A/C Payee Only”. Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare Investor Services to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and/or cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Registrars shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrars, the Joint Bookrunners or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

3.1.5 *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through the Registrars reserves the right:

- (a) to reject the application in full and return the cheque or refund the payment to the Qualifying non-CREST Shareholder in question (without interest); or
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or

- (c) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

All monies received by the Registrars in respect of Open Offer Shares will be held in a separate clients account.

3.1.6 *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 3 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 12,947,767 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

3.1.7 *Effect of valid application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form, the applicant:

- (a) represents and warrants to the Company and the Joint Bookrunners that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and the Joint Bookrunners that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (c) confirms to the Company and the Joint Bookrunners that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);

- (d) represents and warrants to the Company and the Joint Bookrunners that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (e) represents and warrants to the Company and the Joint Bookrunners that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (f) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form and subject to the Articles;
- (g) represents and warrants to the Company and the Joint Bookrunners that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (h) represents and warrants to the Company and the Joint Bookrunners that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (i) confirms that in making the application he is not relying and has not relied on the Company or the Joint Bookrunners or any person affiliated with the Company, or the Joint Bookrunners, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, or you can contact them on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

3.1.8 Proxy

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2.6 below for more information.

3.2 ***If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

3.2.1 *General*

Subject to paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer together with a credit of Excess CREST Open Offer Entitlements equal to 20 times their Record Date balance of Ordinary Shares. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlements they have been credited then they should contact the Shareholder helpline on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside of the United Kingdom to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlements to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 24 October 2016, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. CREST sponsored members should consult their CREST sponsor if they wish to apply for Open Offer Shares as only their CREST sponsor will be able to take the necessary action to make this application in CREST.

3.2.2 *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

3.2.3 *Unmatched Stock Event (USE Instructions)*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Registrars under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Registrars in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (a).

3.2.4 *Content of USE Instruction in respect of Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrars);
- (b) the ISIN of the Open Offer Entitlement. This is GB00BZCNTB57;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (e) the participant ID of the Registrars in its capacity as a CREST receiving agent. This is RA63;
- (f) the member account ID of the Registrars in its capacity as a CREST receiving agent. This is HURRENER;
- (g) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 7 November 2016; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 7 November 2016.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 7 November 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and the Open Offer do not become unconditional by 8.00 a.m. on 8 November 2016 (or such later time and date as the Company, and the Joint Bookrunners determine being no later than 8.00 a.m. on 21 November 2016), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

3.2.5 *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Excess Shares for which application is being made (and hence being delivered to the Registrars);
- (b) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BZCNTC64;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (e) the participant ID of the Registrars in its capacity as a CREST receiving agent. This is RA63;
- (f) the member account ID of the Registrars in its capacity as a CREST receiving agent. This is HURRENER;
- (g) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Excess Shares referred to in (i) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 7 November 2016; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 7 November 2016.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 7 November 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and the Open Offer do not become unconditional by 8.00 a.m. on 8 November 2016 (or such later time and date as the Company and the Joint Bookrunners determine being no later than 8.00 a.m. on 21 November 2016), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

3.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 7 November 2016. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Registrars.

In particular, having regard to normal processing times in CREST and on the part of the Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 2 November 2016 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 1 November 2016 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 7 November 2016.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrars from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

3.2.7 *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 7 November 2016 will constitute a valid application under the Open Offer.

3.2.8 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 7 November 2016. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.2.9 *Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form.

3.2.10 *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Registrars, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

3.2.11 *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the

Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 12,947,767 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement, and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. Computershare Investor Services can be contacted on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

3.2.12 *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to Open Offer Shares in accordance with the above procedures hereby:

- (a) represents and warrants to the Company and the Joint Bookrunners that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrars’ payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

- (c) agrees with the Company and the Joint Bookrunners that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- (d) confirms to the Company and the Joint Bookrunners that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (e) represents and warrants to the Company and the Joint Bookrunners that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
- (f) represents and warrants to the Company and the Joint Bookrunners that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (g) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (h) represents and warrants to the Company and the Joint Bookrunners that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (i) represents and warrants to the Company and the Joint Bookrunners that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (j) confirms that in making the application he is not relying and has not relied on the Company or the Joint Bookrunners or any person affiliated with the Company, or the Joint Bookrunners, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

3.2.13 *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion, but shall not be obliged to:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;

- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrars has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrars in connection with CREST.

3.2.14 *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 8 November 2016 or such later time and date as the Company and the Joint Bookrunners determine (being no later than 8.00 a.m. on 21 November 2016), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4 **Money Laundering Regulations**

4.1 ***Holders of Application Forms***

To ensure compliance with the Money Laundering Regulations, Computershare Investor Services may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrars. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Computershare Investor Services to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide Computershare Investor Services with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Computershare Investor Services determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity

requirements have been satisfied in respect of that acceptor or application. Computershare Investor Services is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Computershare Investor Services nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare Investor Services has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Computershare Investor Services and the Joint Bookrunners from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- 4.1.1 if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- 4.1.2 if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- 4.1.3 if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- 4.1.4 if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to Computershare Investor Services RE: Hurricane Energy plc Open Offer Account in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 4.1.1 above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrars. If the agent is not such an organisation, it should contact Computershare Investor Services PLC at Computershare Investor Services, Corporate Actions Projects, Bristol, BS99 6AH.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare Investor Services PLC on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 7 November 2016, Computershare Investor Services has not received evidence satisfactory to it as aforesaid, Computershare Investor Services may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 *Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Computershare Investor Services is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Computershare Investor Services before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction, which on its settlement constitutes a valid application as described above, constitutes a warranty and undertaking by the applicant to provide promptly to Computershare Investor Services such information as may be specified by Computershare Investor Services as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare Investor Services as to identity, Computershare Investor Services may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5 Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 7 November 2016. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 8 November 2016.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 7 November 2016 (the latest date for applications under the Open

Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 8 November 2016, the Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrars in connection with CREST.

No temporary documents of title will be issued, and transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6 Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, the Joint Bookrunners, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in whose jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any

territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, the Joint Bookrunners nor any of their respective representatives is making any representation or warranty to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and the Joint Bookrunners determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company, and the Joint Bookrunners reserve the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 *United States*

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company, and the Joint Bookrunners reserve the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until

45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the other Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 ***Representations and warranties relating to Overseas Shareholders***

6.5.1 ***Qualifying Non-CREST Shareholders***

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, the Joint Bookrunners and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates

of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5.1.

6.5.2 *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company, the Joint Bookrunners and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

6.6 *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and the Joint Bookrunners in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7 **Times and dates**

The Company shall, in agreement with the Joint Bookrunners and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8 **Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9 **Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10 Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV are intended to be in general terms only and, as such, you should read Part III of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Shareholder helpline on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1 What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 12,947,767 New Ordinary Shares at a price of 34 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 76 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 34 pence per Open Offer Share represents a discount of 12.26 per cent. to the closing middle market price of 38.75 pence per Ordinary Share on 19 October 2016, being the last practicable date prior to the publication of announcement of the Fundraising, and a discount of 11.13 per cent. to the 30 trading day volume weighted average price of 38.26 pence per Ordinary Share.

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Applications made under the Excess Application Facility may be allocated in such

manner as the Directors may determine in their absolute discretion, if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares, and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Placing.

2 I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the US or any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 21 October 2016 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3 I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the US or any Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the US or any of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by them by no later than 11.00 a.m. on 7 November 2016, after which time Application Forms will not be valid.

4 I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

4.1 *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money if the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 7 November 2016, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement, then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of New Ordinary Shares pursuant to the Placing.

4.2 *If you want to take up some but not all of your Open Offer Entitlement*

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2 and 4 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Boxes 2 and 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by £0.34, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £8.50 in this example). You should write this amount in Box 5, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received by them by no later than 11.00 a.m. on 7 November 2016, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to Computer Investor Services RE: Hurricane Energy plc Open Offer Account and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Registrars to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 22 November 2016.

4.3 *If you want to take up all of your Open Offer Entitlement*

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 8 of your Application Form), by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received by them by no later than 11.00 a.m. on 7 November 2016, after which

time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to Computershare Investor Services RE: Hurricane Energy plc Open Offer Account and crossed "A/C payee only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Registrars to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 22 November 2016.

4.4 *If you want to apply for more than your Open Offer Entitlement*

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of Excess Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4. For example, if you have an Open Offer Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 2, '25' in Box 3 and '75' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by £0.34, which is the price in pounds sterling of each Offer Share (giving you an amount of £25.50 in this example). You should write this amount in Box 5. You should then return your Application Form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received by them by no later than 11.00 a.m. on 7 November 2016, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you, at your own risk, by no later than 22 November 2016.

5 I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part III of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement; and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

6 I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 18 October 2016 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 18 October 2016 but were not registered as the holders of those shares at the close of business on 18 October 2016; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Shareholder helpline on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

7 Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares are not underwritten.

8 What if I change my mind?

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Registrars, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9 What if the number of Open Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Open Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number.

10 I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 18 October 2016, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 18 October 2016, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11 I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to Computershare Investor Services RE: Hurricane Energy plc Open Offer Account and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 Open Offer Application Form. Post-dated cheques will not be accepted.

12 Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

13 I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form together with the monies in the appropriate form, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14 I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

Computershare Investor Services must receive the Application Form by no later than 11.00 a.m. on 7 November 2016, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15 How do I transfer my entitlements into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the

Application Form), and ensure it is delivered to Euroclear Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16 I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that Computershare Investor Services will post all new share certificates by 22 November 2016.

17 If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18 Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

19 What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III of this document.

20 Further assistance

Should you require further assistance please call the Shareholder helpline on 0370 707 1733 from within the UK or +44 (0)370 707 1733 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

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 7 November 2016 at 2.30 p.m. to consider and, if thought fit, pass the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 as a special resolution.

ORDINARY RESOLUTION

1. **THAT**, in addition to all other powers granted to the Directors at the Company’s Annual General Meeting on 8 June 2016, 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 £218,830.12 (being equal to 218,830,120 Ordinary Shares) pursuant to the Placing and the Open Offer, 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 or the Open Offer 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**, in addition to all other powers granted to the Directors at the Company’s Annual General Meeting on 8 June 2016, 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 and the Open Offer up to an aggregate nominal value of £218,830.12 (being equal to 218,830,120 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 or the Open Offer 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.

By order of the Board:

Dr Robert Arnott
Chairman
Hurricane Energy plc
21 October 2016

Registered Office:

Ground Floor
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 5 November 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 5 November 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, Corporation Actions Projects, Bristol, BS99 6AH and received by the Company's registrars no later than 2.30 p.m. on 5 November 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 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 2.30 p.m. on 5 November 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.

