

Registered in England and Wales No. 05245689
Registered Office: Ground Floor, The Wharf, Abbey Mill Business Park,
Lower Eashing, Godalming, Surrey GU7 2QN



Hurricane

Hurricane Energy plc

14 December 2022, at 10.00 am

at The Library Suite, Royal Society of Chemistry, Burlington House, Piccadilly, London, W1J 0BA

Proposed Reduction of Capital by Cancellation of Share Premium Account and Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out in this document and which recommends that you vote in favour of the Resolution to be proposed at the General Meeting. Further important information about the meeting, the business to be transacted and how to vote either in person or via appointing a proxy can be found in this document.

The Form of Proxy, to be valid, must be completed and returned in accordance with the instructions printed thereon. Shareholders are strongly encouraged to ensure that their votes are counted at the General Meeting by appointing the Chairman of the General Meeting as their proxy and submitting their completed Form of Proxy as soon as possible and in any event so as to be received by the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 48 hours before the time of the meeting. Alternatively, if you are a CREST member, you may register your appointment of a proxy electronically by using the CREST electronic proxy appointment service. Further details are set out in the Notes to the Notice of General Meeting and the Form of Proxy.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Hurricane Energy plc, please forward this document and the accompanying proxy form to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Shareholders must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell shares in Hurricane Energy plc or possess or distribute this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this document	25 November 2022
Latest time and date for receipt of completed Forms of Proxy	10.00 am on 12 December 2022
General Meeting	10.00 am on 14 December 2022
Expected date of Court Hearing to confirm Reduction of Capital	17 January 2023
Expected registration of Court Order and effective date of Reduction of Capital	on or about 18 January 2023

Notes:

- (1) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company, in which event details of the new times and dates will be notified by an announcement through a Regulatory Information Service (as defined in the AIM Rules). In particular, the expected date for the Court Hearing and the Reduction of Capital becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. The dates are subject to any directions of the Court and the date for the Registration of the Court Order is dependent upon, amongst other things, the date on which the Court confirms the proposed Reduction of Capital.
- (2) References to times in this document are to London times unless otherwise stated.
- (3) The timetable above assumes that the Resolution in the Notice of General Meeting is duly passed.
- (4) The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.

DEFINITIONS

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

Act	the Companies Act 2006;
AIM	the AIM market operated by the London Stock Exchange;
AIM Rules	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
Board or Directors	the board of directors of the Company;
Circular or this document	this document dated 25 November 2022;
Company or Hurricane	Hurricane Energy plc, a company incorporated in England and Wales with registered number 05245689 and having its registered office at Ground Floor, The Wharf Abbey Mill Business Park, Lower Eashing, Godalming, Surrey GU7 2QN;
Court	the High Court of Justice in England and Wales;
Court Hearing	the final hearing by the Court to confirm the proposed Reduction of Capital;
Court Order	the order of the Court confirming the proposed Reduction of Capital;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);

CREST Manual	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CCSS Operations Manual and the CREST Glossary of Terms;
CREST member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
CREST Proxy Instruction	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear’s specifications;
CREST Regulations	the Uncertificated Securities Regulations 2001, as amended;
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
Euroclear	Euroclear UK & International Limited;
Form of Proxy	the form of proxy accompanying this document relating to the General Meeting;
Formal Sale Process	the formal sale process as referred to in Note 2 on Rule 2.6 of the City Code on Takeovers and Mergers which was announced by the Company on 2 November 2022;
General Meeting or GM	the general meeting of the Company, notice of which is set out at the end of this document, and including any adjournment(s) thereof;
London Stock Exchange	London Stock Exchange plc;
Notice of General Meeting	the notice of the General Meeting of the Company, set out at the end of this document;
Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company;
Participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
Reduction of Capital	the proposed cancellation of the Company’s share premium account (currently standing at approximately US\$822.5 million), as set out in the Resolution;
Resolution	the resolution to be proposed at the General Meeting, which is set out in full in the Notice of General Meeting;
Shareholders	holders of Ordinary Shares;
UK	the United Kingdom of Great Britain and Northern Ireland; and
US\$	dollars, the legal currency of the United States of America.

Letter from the Chairman

Directors:

Philip Wolfe (Chairman)
Antony Maris (Chief Executive Officer)
Richard Chaffe (Chief Financial Officer)
John Wright (Non-Executive Director)
David Craik (Non-Executive Director)
Juan Morera (Non-Executive Director)
Linda Beal (Non-Executive Director)
Robin Allan (Non-Executive Director)

25 November 2022

Dear Shareholder,

Hurricane Energy plc: General Meeting

Proposed Reduction of Capital by Cancellation of Share Premium Account

Introduction

I am writing to provide you with details of a proposal to carry out a reduction of the Company's capital involving the cancellation of the Company's share premium account (which currently stands at approximately US\$822.5 million) in order to create distributable reserves. Shareholder approval is being sought to cancel the amount standing to the credit of the Company's share premium account, which would enable the Company to make distributions to its Shareholders in future, subject to the Company's performance. The Reduction of Capital is conditional upon the Company obtaining the approval of Shareholders by special resolution at the General Meeting and confirmation by the Court. The General Meeting is to be held on Wednesday, 14 December 2022 at 10.00 am at The Library Suite, Royal Society of Chemistry, Burlington House, Piccadilly, London, W1J 0BA.

This document provides you with information about the Reduction of Capital and explains why the Board considers the Reduction of Capital to be in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting. Shareholders should note that, unless the Resolution is approved at the General Meeting (and the Court subsequently confirms the Reduction of Capital), the Reduction of Capital will not take place.

Background to, and reasons for, the Reduction of Capital

As set out in the announcement on 2 November 2022 when the Company outlined its decision to launch a Formal Sale Process ("FSP"), and in the event that the FSP does not result in a transaction, the Board intends to commence a significant capital return programme with up to \$70 million (equivalent to 3.1 pence per share, converted at an exchange rate of GBP 1.00:USD 1.15) to be returned to shareholders in Quarter 1, 2023, upon completion of the Reduction of Capital. The proposal described in this document is further to the Company's announcement of 2 November 2022. The Reduction of Capital will if it becomes effective have the effect of creating distributable reserves and, subject to the financial performance of the Company and the Act, provide the Company with the ability to make distributions of profits by way of dividend and/or to make purchases of its own shares as permitted by the Act. The Reduction of Capital would, after taking into consideration the Company's current accumulated losses of approximately US\$645.2 million, create distributable reserves to the value of approximately US\$177.3 million (subject to any special reserve for creditors as referred to below and assuming that there is no change to the level of accumulated losses before the Reduction of Capital becomes effective).

Reduction of Capital

It is proposed that the Reduction of Capital will involve the cancellation of the entire amount standing to the credit of the share premium account (currently approximately US\$822.5 million). The cancellation, if approved by the Court, would create retained earnings sufficient to eliminate the current accumulated losses.

The Act requires that, where a company issues shares at a premium to the nominal value of those shares, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums must be transferred to the company's share premium account. A share premium account can only be used in very limited circumstances. The proposed Reduction of Capital involves the cancellation of the entire amount standing to the credit of the Company's share premium account.

The Reduction of Capital is conditional on:

- the passing of the Resolution to be proposed at the General Meeting;
- the Reduction of Capital being approved by the Court; and
- the Court Order being registered by the Registrar of Companies.

Shareholder Approval

Shareholders' approval is being sought to carry out the Reduction of Capital pursuant to the Resolution set out in the Notice of General Meeting. The Resolution will be proposed as a special resolution and requires a majority in favour of at least 75% of those Shareholders attending and voting in person or by proxy at the General Meeting in order to be passed.

Court Approval

In addition to the approval of Shareholders, the proposed Reduction of Capital requires the confirmation of the Court. Accordingly, following approval of the proposed Reduction of Capital by Shareholders, an application will be made to the Court in order to confirm and approve the proposed Reduction of Capital.

In providing such approval, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the proposed Reduction of Capital. Any such creditor protection may include seeking the consent of the Company's creditors to the proposed Reduction of Capital and/or giving an undertaking to the Court to create a special non-distributable reserve, with any such reserve to remain until the relevant creditors of the Company (who are not protected at that date by any other means) have been otherwise protected or the relevant liability discharged.

The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that, as at the date on which the proposed Reduction of Capital becomes effective, the Company's creditors will be sufficiently protected.

It is anticipated that the Court Hearing to confirm the proposed Reduction of Capital will take place on 17 January 2023 and that the proposed Reduction of Capital would become effective on the following day or shortly thereafter, following the necessary registration of, amongst other things, the Court Order at Companies House. The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the proposed Reduction of Capital would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole.

The reasons for the Reduction of Capital are described above. However, in seeking approval of the Reduction of Capital, the Company is not indicating any firm commitment to declare dividends or to purchase its own shares, but considers that the Reduction of Capital would position it more favourably to do so, as applicable, in the future, as explained above and in the Company's announcement of 2 November 2022

The proposed Reduction of Capital itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. Following the implementation of the Reduction of Capital, there will be no change to the number of Ordinary Shares in issue or the rights attaching to the Ordinary Shares.

Action to be taken in relation to the General Meeting

The formal notice of the General Meeting is set out at the end of this document.

A copy of this notice will be available on the Company's website at www.hurricaneenergy.com. All shareholders are able to lodge their vote via proxy well in advance of the General Meeting. To vote by proxy, please fill in the Form of Proxy sent to you with this document and return it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible. Proxy votes must be received by 10.00 am on 12 December 2022. You may also register your proxy vote 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 hard-copy proxy form no later than 10.00 am on 12 December 2022. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company's registrars (CREST Participant ID: 3RA50) so that it is received by no later than 48 hours before the time of the meeting (by 10.00 am on 12 December 2022).

Recommendation

The Directors consider the Resolution is in the best interests of the Company and its Shareholders as a whole and recommend that the Shareholders vote in favour of the Resolution.

Yours faithfully,

Philip Wolfe
Chairman

Registered Office:

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

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a General Meeting (the Meeting) of Hurricane Energy plc

(the Company) will be held at the Library Suite, Royal Society of Chemistry, Burlington House, Piccadilly, London, W1J 0BA, on Wednesday, 14 December 2022 at 10.00 am for the following purposes:

Special Resolution

To consider and, if thought fit, to pass the following resolution, which will be proposed as a special resolution:

1. That, the share premium account of the Company be cancelled.

By order of the Board

Philip Wolfe
Chairman

Registered Office:

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

Notes to the Notice of General Meeting

Your attention is drawn to the notes below and the arrangements put in place by the Company for the General Meeting (GM)

1. Only those members who are entered in the register of members of the Company as at 6.00 pm on 12 December 2022, or, in the event the Meeting is adjourned, at 6.00 pm on the day before the adjourned meeting, shall be entitled to 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 pm on 12 December 2022, or, in the event that the Meeting is adjourned, after 6.00 pm on the day before the adjourned meeting, shall be disregarded in determining the rights of any person to 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 will also still be entitled to appoint a proxy to exercise all or any of its, his or her rights to attend, to submit questions and vote instead of it, him or her at the meeting. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company. All members are strongly encouraged to appoint the Chairman of the meeting as your proxy. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice of Meeting. The person you appoint as proxy must vote in accordance with your instructions. If you do not give them any instructions, a proxy may vote or not vote as he or she sees fit on any business of the GM. Appointing a proxy in this way will not prevent you from attending and voting at the GM.

3. To appoint the Chairman of the Meeting as your proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
- received by the Company's registrars no later than 10.00 am on 12 December 2022.

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.

4. Members are encouraged to 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 10.00 am on 12 December 2022.

5. 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.

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 & International 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. 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. 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.

6. 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).

7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers to vote by proxy as a member provided that they do not do so in relation to the same shares.

8. To change your proxy voting instructions after the cut-off time for receipt of proxy appointments, Notes 2 to 4 also apply in relation to amended instructions; any amended proxy instruction 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.
9. Members attending the meeting have the right to ask questions. In addition, the Company strongly encourages shareholders to submit any questions they would like to have answered at the GM by email to communications@hurricaneenergy.com in advance of the meeting, so as to be received no later than 12.30 pm on 12 December 2022. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Where it is not possible to answer any of the questions submitted at the GM (for example, due to time constraints), the directors will endeavour, where appropriate, to answer such questions as soon as practicable following the GM.
10. A copy of this Notice of Meeting can be found on our website at www.hurricaneenergy.com.