Hurricane

Basement Reservoir Specialists

Investors Chronicle

13 March 2014

Hurricane Energy plc



- Introduction
- Hurricane's achievements, story and team
- Fractured basement reservoirs
- Operations due to start in Q2
- Future planning

Hurricane is all about...

- Discovery and development of oil from naturally fractured basement reservoirs
- Hurricane has successfully found light oil in fractured basement reservoirs West of Shetland
- Potentially a strategic resource for the UK

Basement plays around the World



UK government PILOT scheme

Conclusions

- Abundant New and Underexplored Plays could yield significant resources
- Basement play most extensive but needs de-risking
- Extensive seismic data exists to explore many of the plays
- Require new seismic / high tech over West of Hebrides, WOS and Forth Approaches Basin
- And of course.....more wells.

Pilot Exploration Task Force

Plays identified include:

- Fractured Basement, UKCS
- Sub basalt, West Hebrides & West of Shetland
- Triassic, West of Shetland
- Permian, East Irish Sea, North Channel & Northern Ireland
- High Inert Gas, Southern North Sea
- Carboniferous, Southern North Sea & Forth Approaches Basin
- Triassic, Sherwood Sandstone, English Channel, North and South Celtic Sea, St Georges Channel and Cardigan Bay basins
- Kimmeridge Clay, Quad 16 & beyond

Rona Ridge
Fractured Basement UKCS

Proven Play Concepts along RONA RIDGE

- Clair Field
- Lancaster
- Whirlwind

Oil shows in Pre-Cambrian Fractured Basement

Source: Mid-Jurassic Shales (equivalent Kimmeridge Clay)

Reservoir: Altered fractured gneiss Granodiorites (Pre-Cambrian/Lewisian)

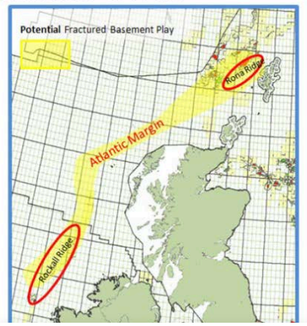
Trap: Rona Ridge; Faulted rotated horst blocks

Seal: Cretaceous marine mudstones

Hydrocarbons-in-place Estimate: 150

Depth to basement: 1950m-3000m (
ridge)

References to any on/offshore analo
NW Highland, mainland Scotland
Egypt – Zeit Bay

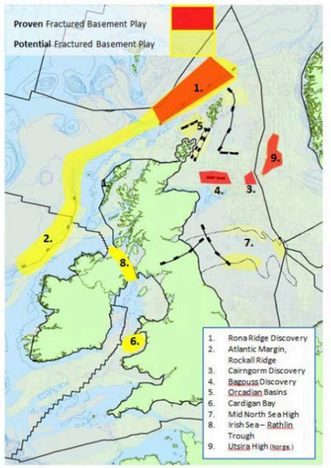


Fractured Basement UKCS

Highlights:
Atlantic Margin – fractured Pre-Cambrian gneiss along Rona Ridge proven in WoS, tested & flowed oil

Central North Sea – fractured Silurian granite proven in Cairngorm Discovery and flowed oil & the Bagpuss Discovery with oil shows, yet to be tested

Orcadian Basins – exploration potential in fractured Devonian basement.



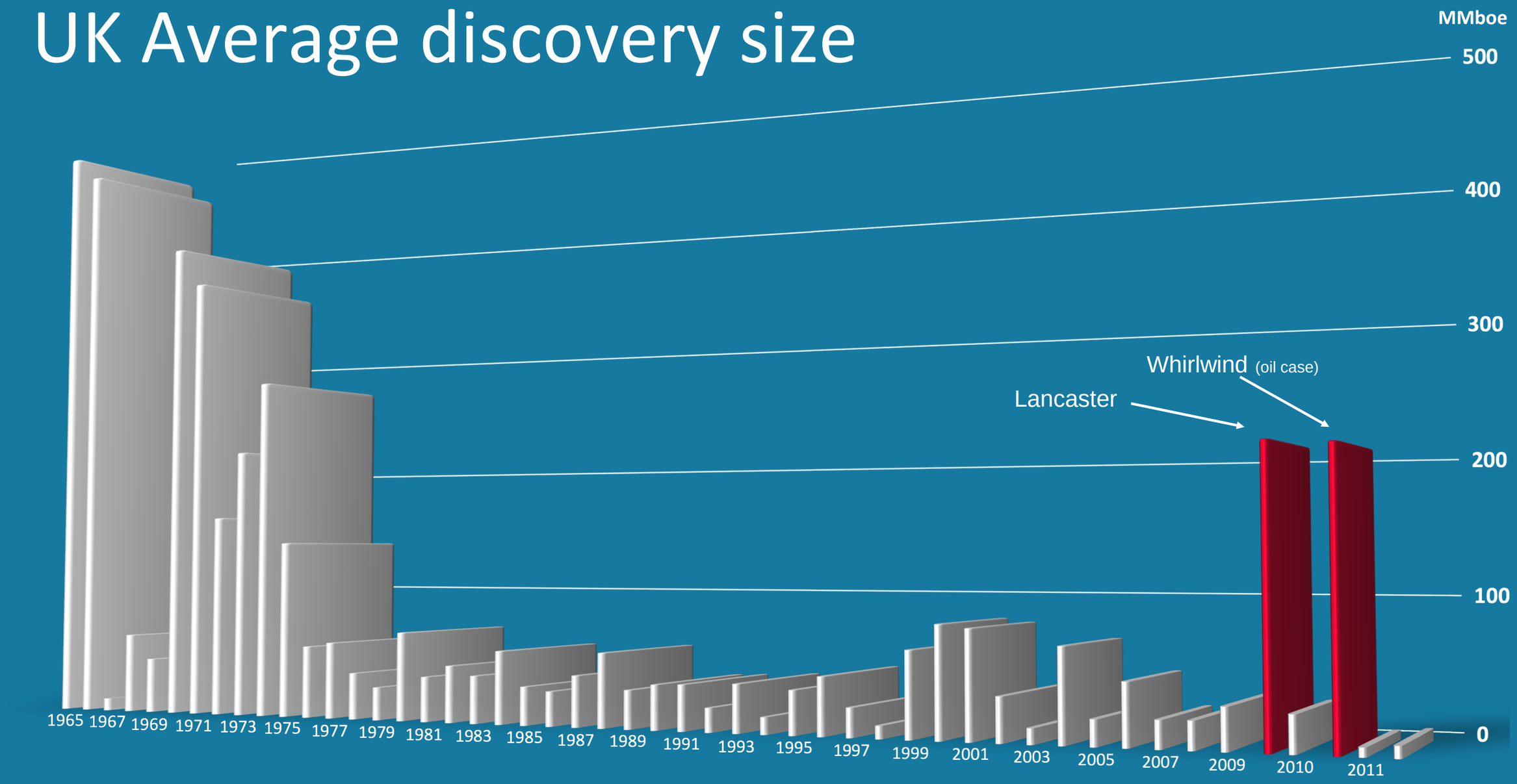
Features of basement reservoirs

- Basement fields can be associated with large reserves
- Significant upside potential
- Produced, processed and exported via conventional development facilities
- Fractured basement is a proven concept – it works around the world
  - Bach Ho Vietnam, 1,450 MMbbl Reserves, over a billion barrels of oil produced
  - La Paz Venezuela, 678 MMbbl Reserves, over 350 MMbbl produced
  - Zeit Bay Egypt, 198 MMbbl Reserves
- Hurricane is pioneering fractured basement reservoirs in the UK

What have we achieved so far?

- Two major discoveries of over 200 MMboe recoverable 2C Contingent Resources each, 2009 (Lancaster) and 2011 (Whirlwind, oil case)
  - The average size discovery on the UKCS 2009/10 was 20-23 MMboe

UK Average discovery size



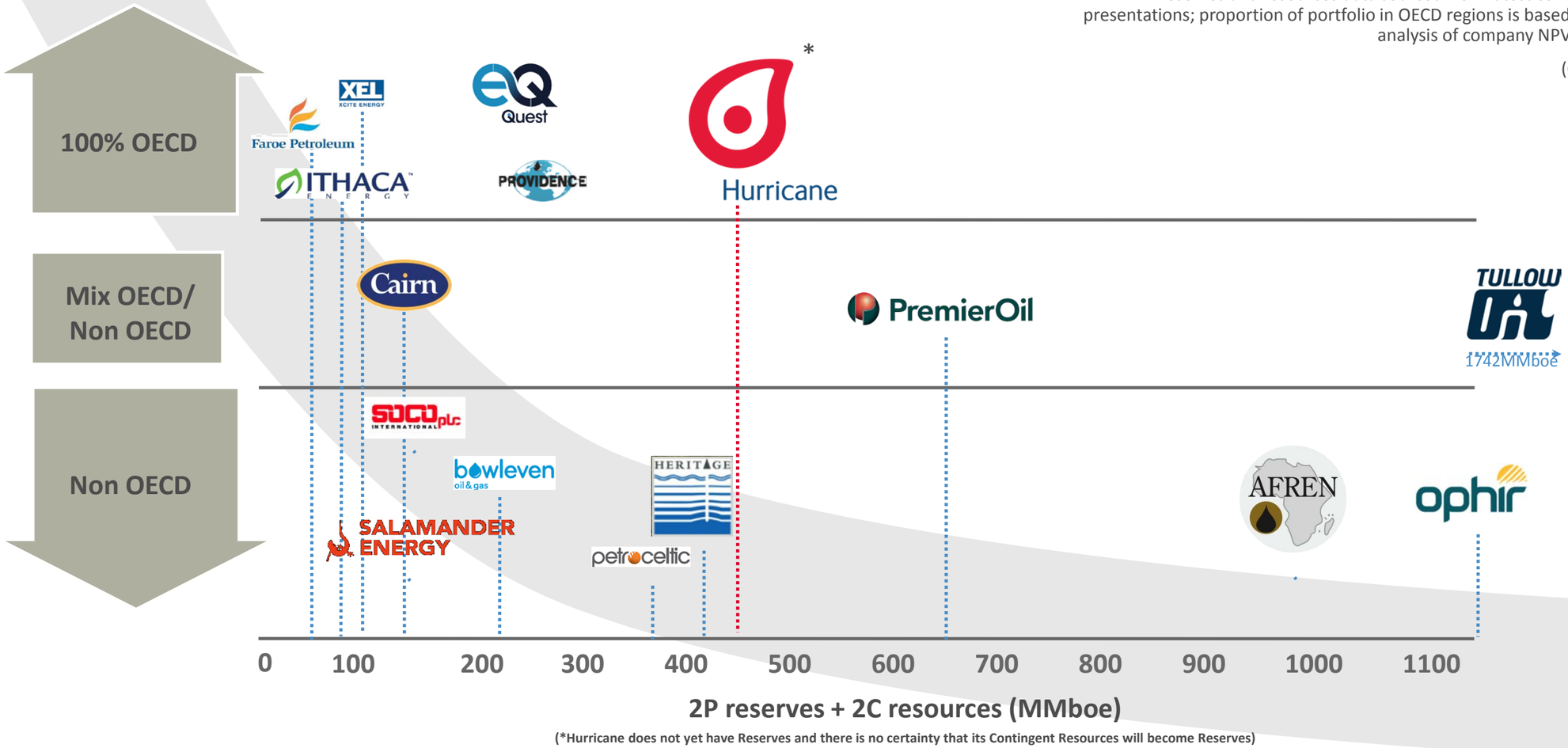
What have we achieved so far?

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  - The average size discovery on the UKCS 2009/10 was 20-23 MMboe
- Hurricane's discoveries are light hydrocarbons and in relatively shallow water
  - On and alongside same ridge and oil source as Clair Field which has been reported by BP to have 8 billion boe in place
- All discoveries achieved with 100% Hurricane control
- Portfolio of further exploration opportunities, P50 of 440 MMboe
- All resource figures come from CPR prepared by RPS Energy Limited

Hurricane's *potential* in peer group context

Sources: Hurricane resources sourced from October 2013 CPR; other company reserves and resources data sourced from latest company reports / presentations; proportion of portfolio in OECD regions is based on WoodMac analysis of company NPV by geography

(October 2013)



(*Hurricane does not yet have Reserves and there is no certainty that its Contingent Resources will become Reserves)

Board

Executives



Robert Trice,
CEO



Nicholas Mardon Taylor, CFO



Neil Platt,
COO



Keith Kirby,
CAO

Board

Executives



Robert Trice,
CEO



Nicholas Mardon Taylor, CFO



Neil Platt,
COO



Keith Kirby,
CAO

Non Executives



John Hogan,
Chairman



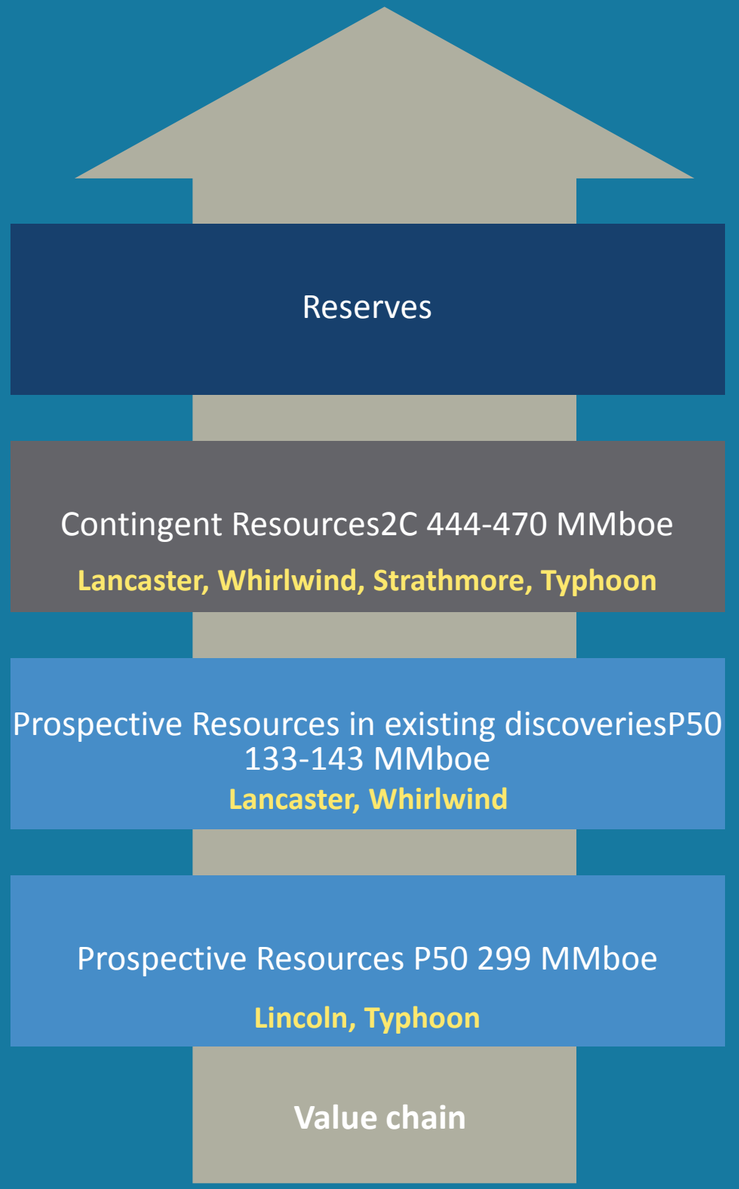
John van der Welle



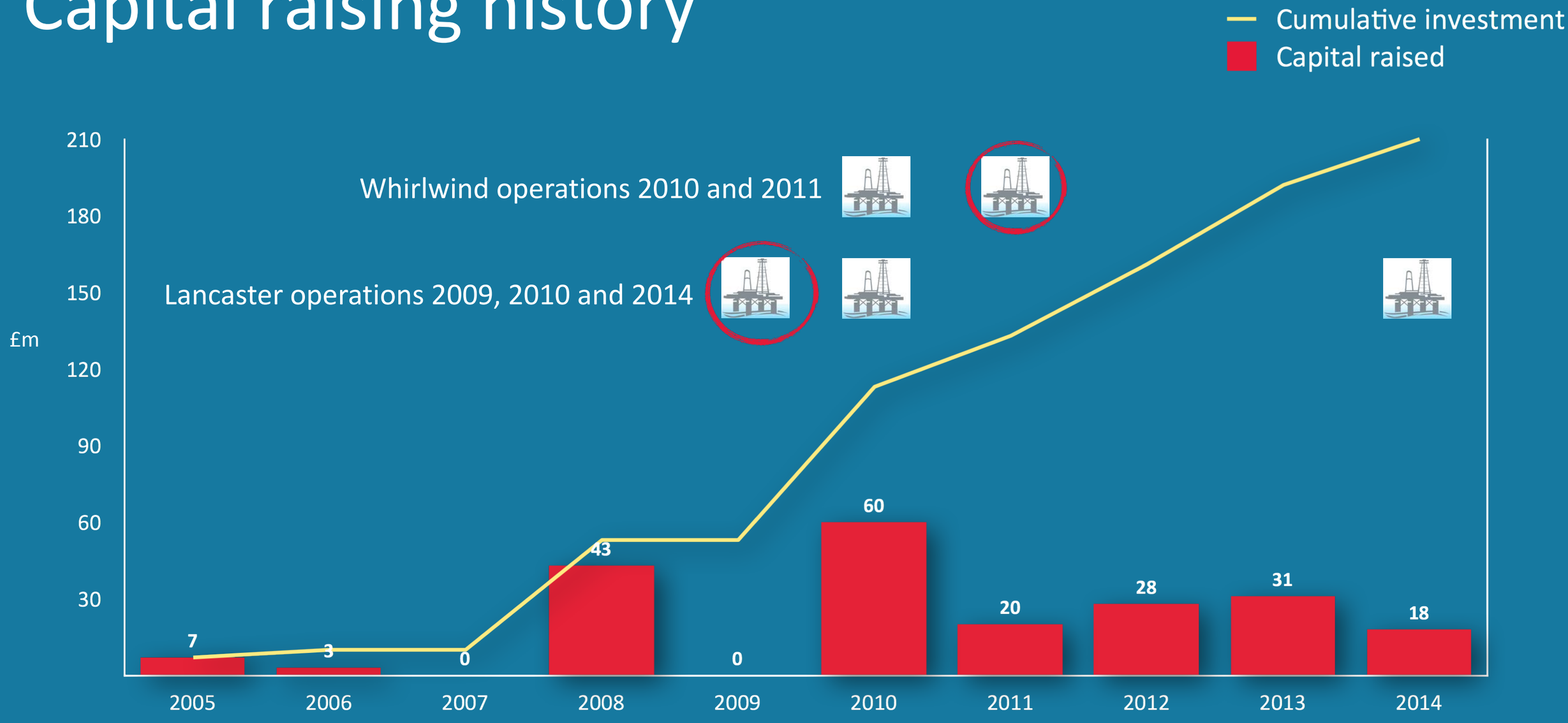
Dr David Jenkins

Hurricane’s strategy

- Increase shareholder value through the exploration, appraisal and development of fractured basement reservoirs
- Focus on proven petroleum systems with material reserve potential
- Evaluate basement upside
- Maintain 100% ownership and operatorship during exploration and early stage appraisal
- Engage with a development partner at the optimum time



Capital raising history

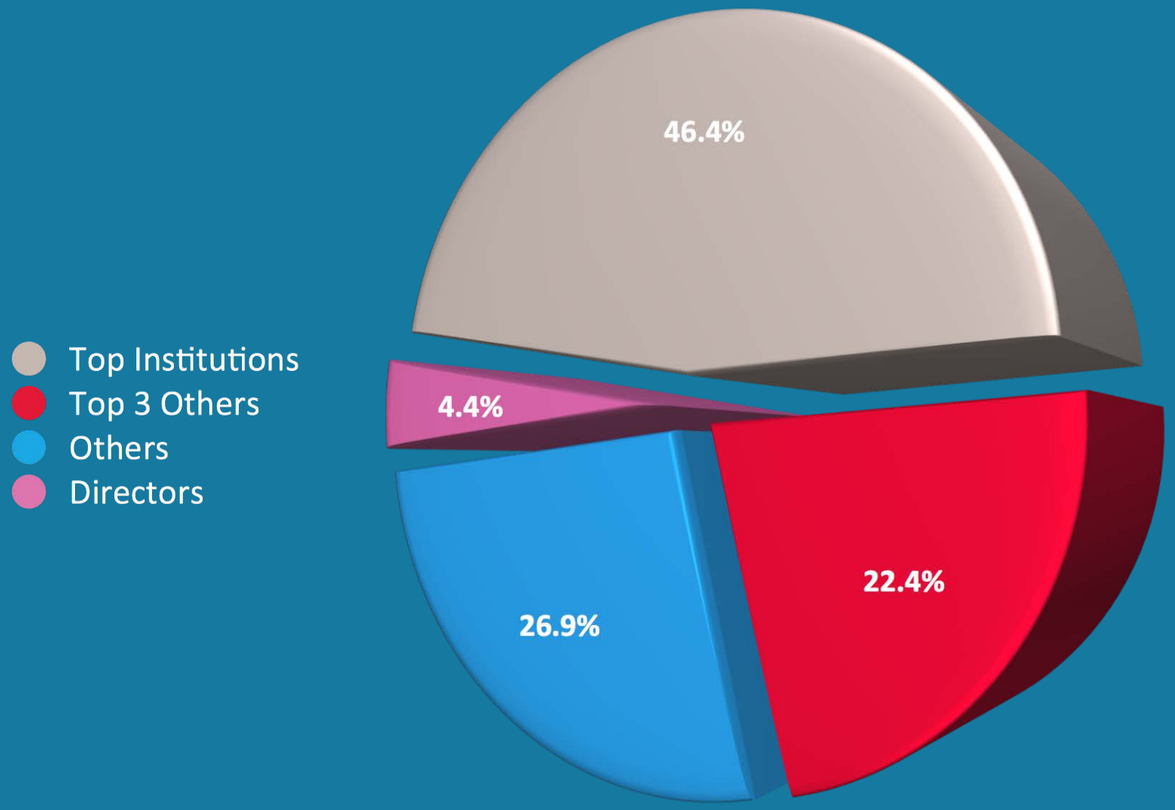


Ownership

The company has the following share capital structure as at 25 February 2014:

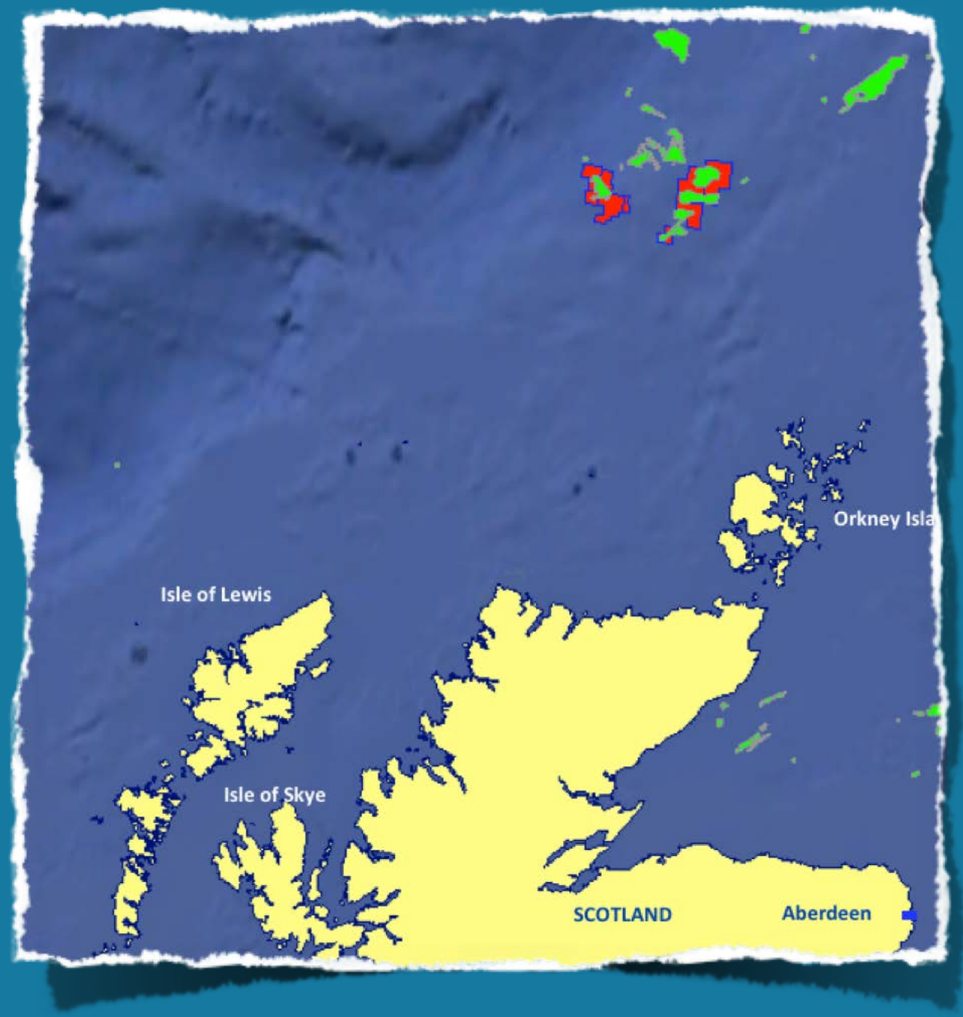
632,267,788 ordinary 0.1p shares in issue

4.38% Held by Directors

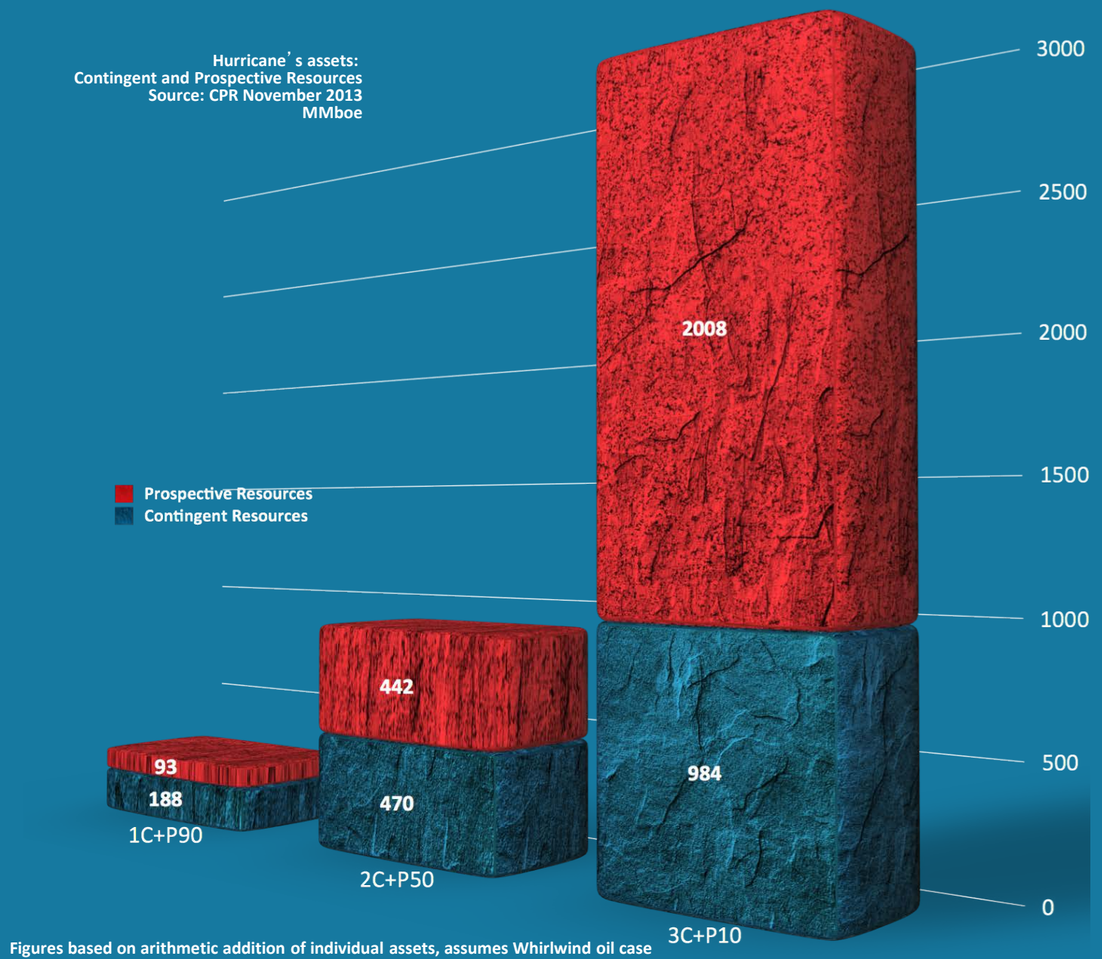


Top Institutions	%
F&C Asset Management	9.22%
Artemis	7.57%
BlackRock	6.58%
Bluecrest	5.87%
AWAL Bank	5.54%
JP Morgan	3.26%
Salida Capital	2.78%
Britannic Strategies	2.78%
Standard Life	2.76%
	46.36%

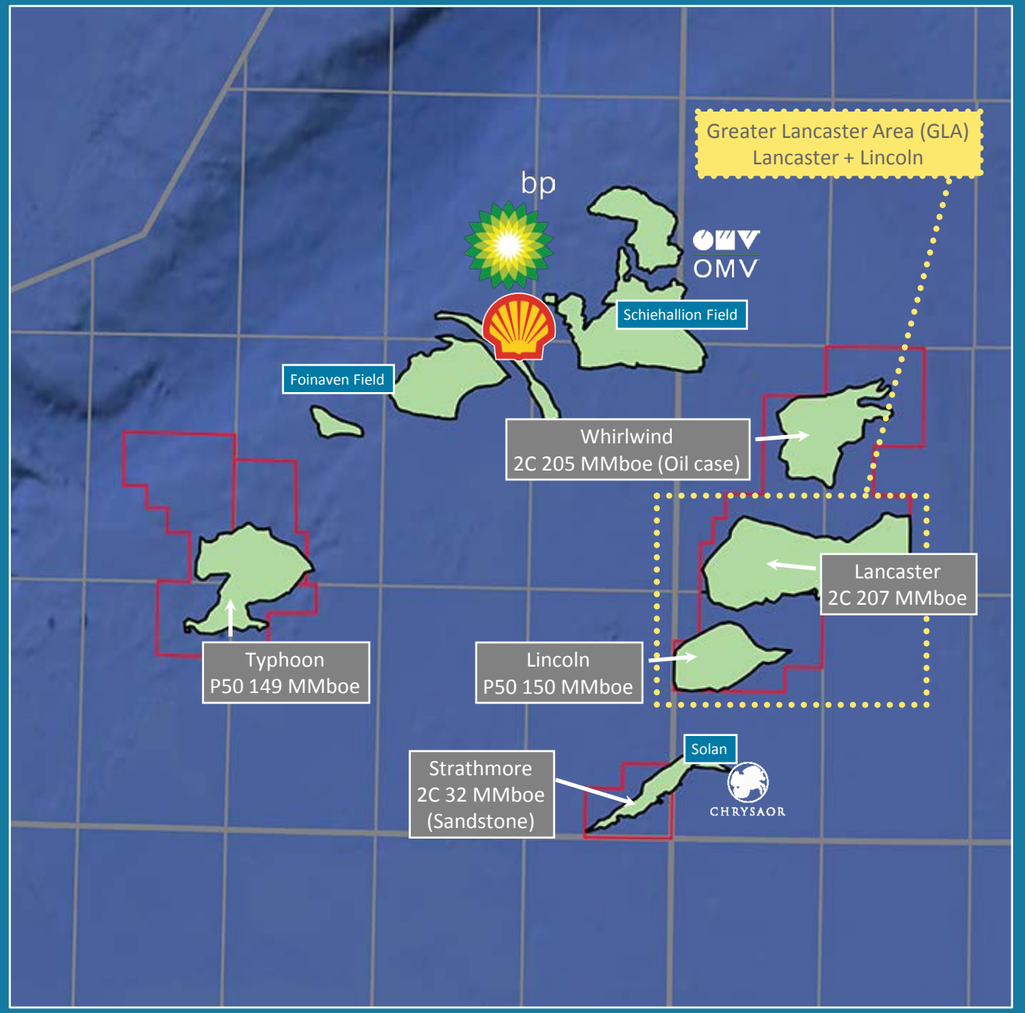
Location



Significant resource discovered
and large upside potential to confirm

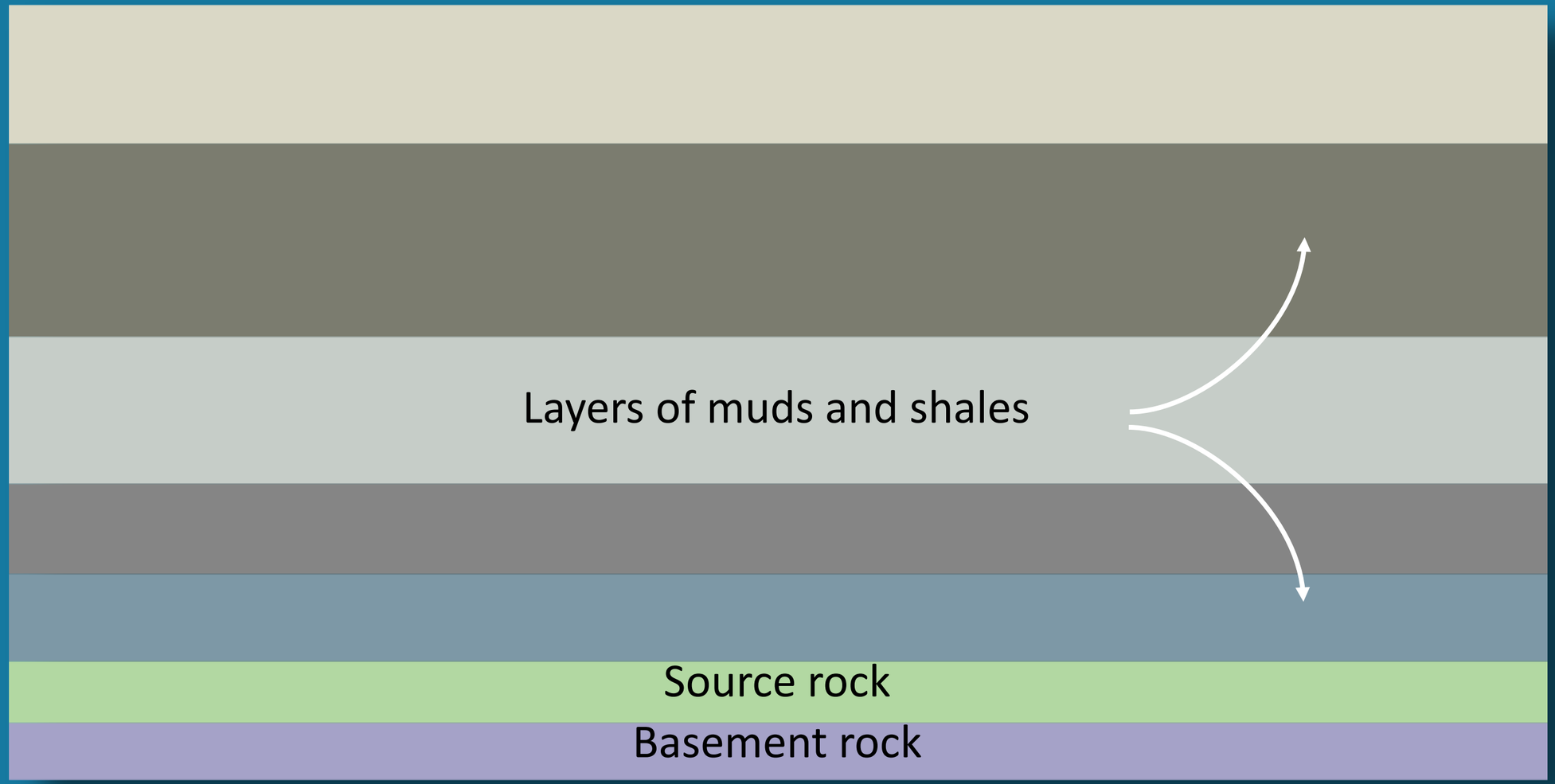


Figures based on arithmetic addition of individual assets, assumes Whirlwind oil case

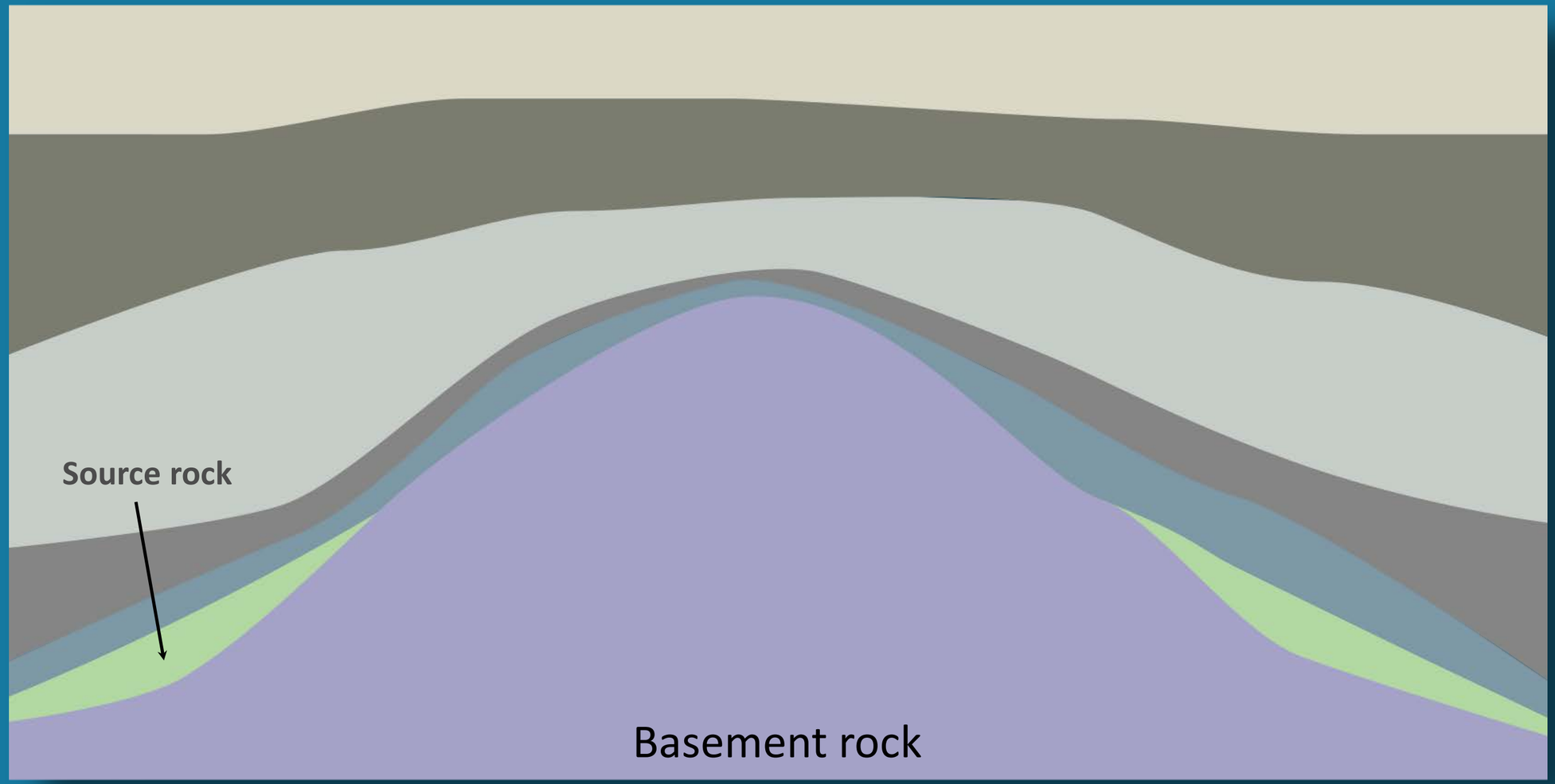



Natural fractures in basement rock

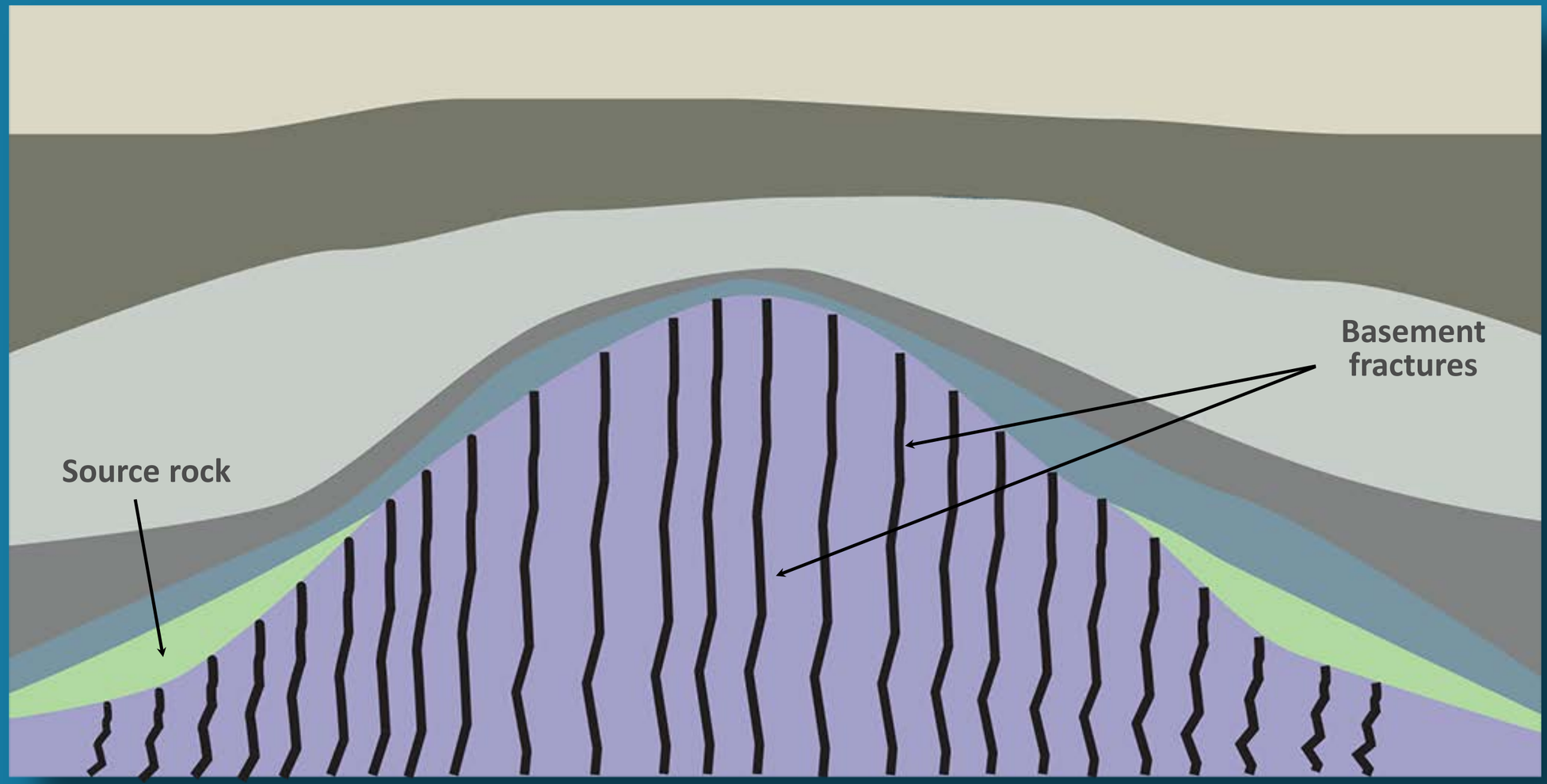
Basement 101



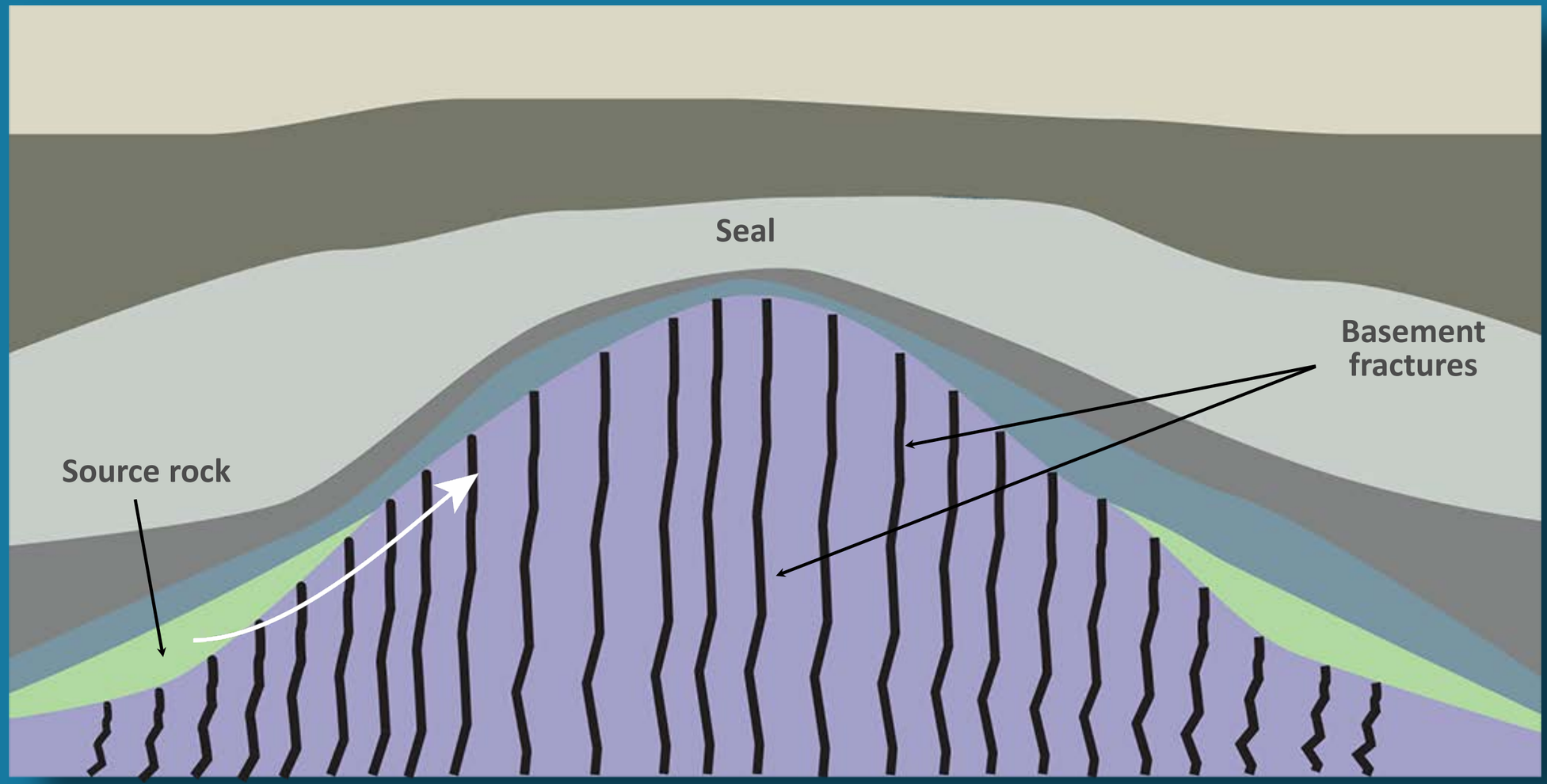
Tectonic forces



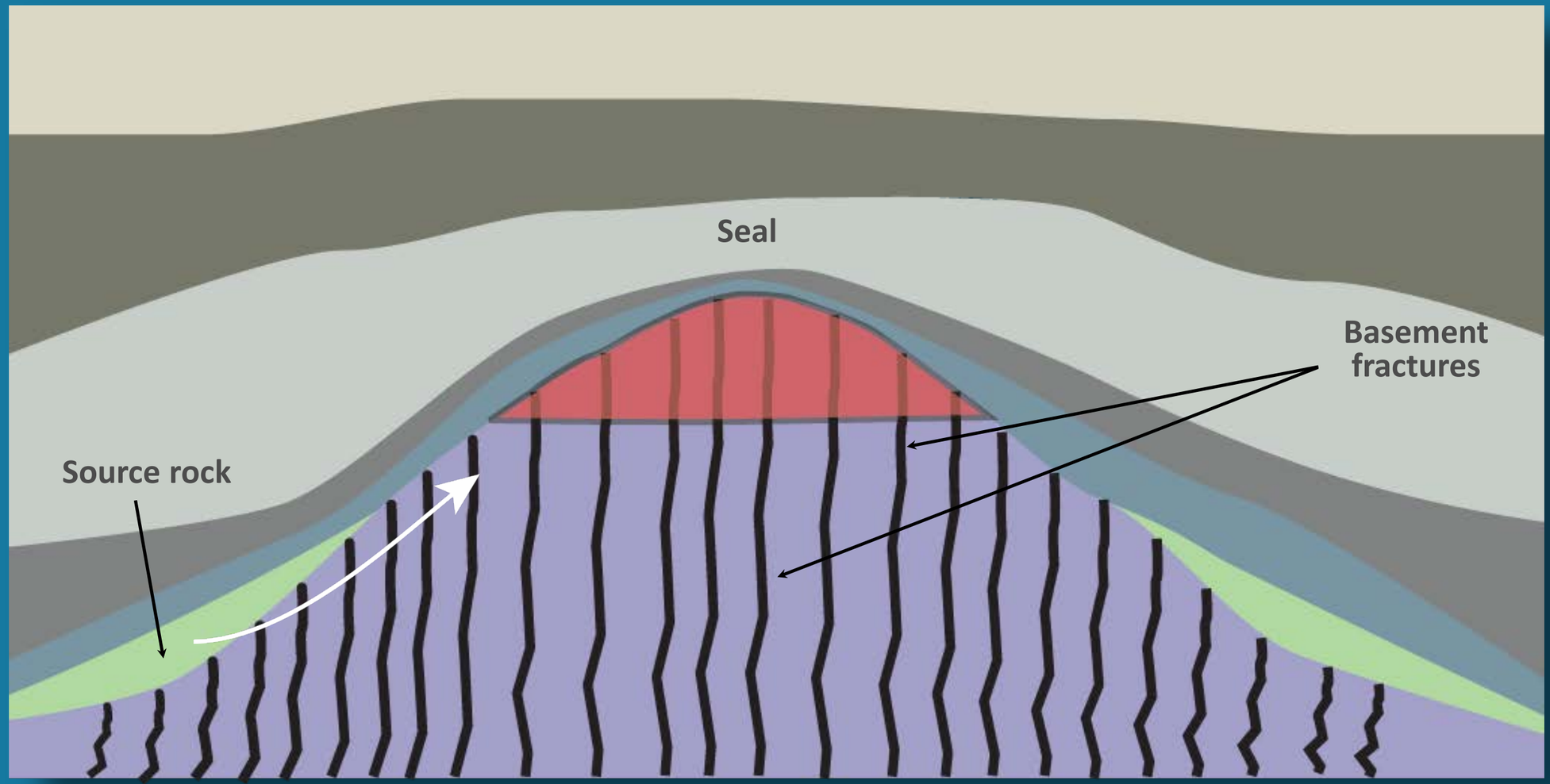
Faults and fractures



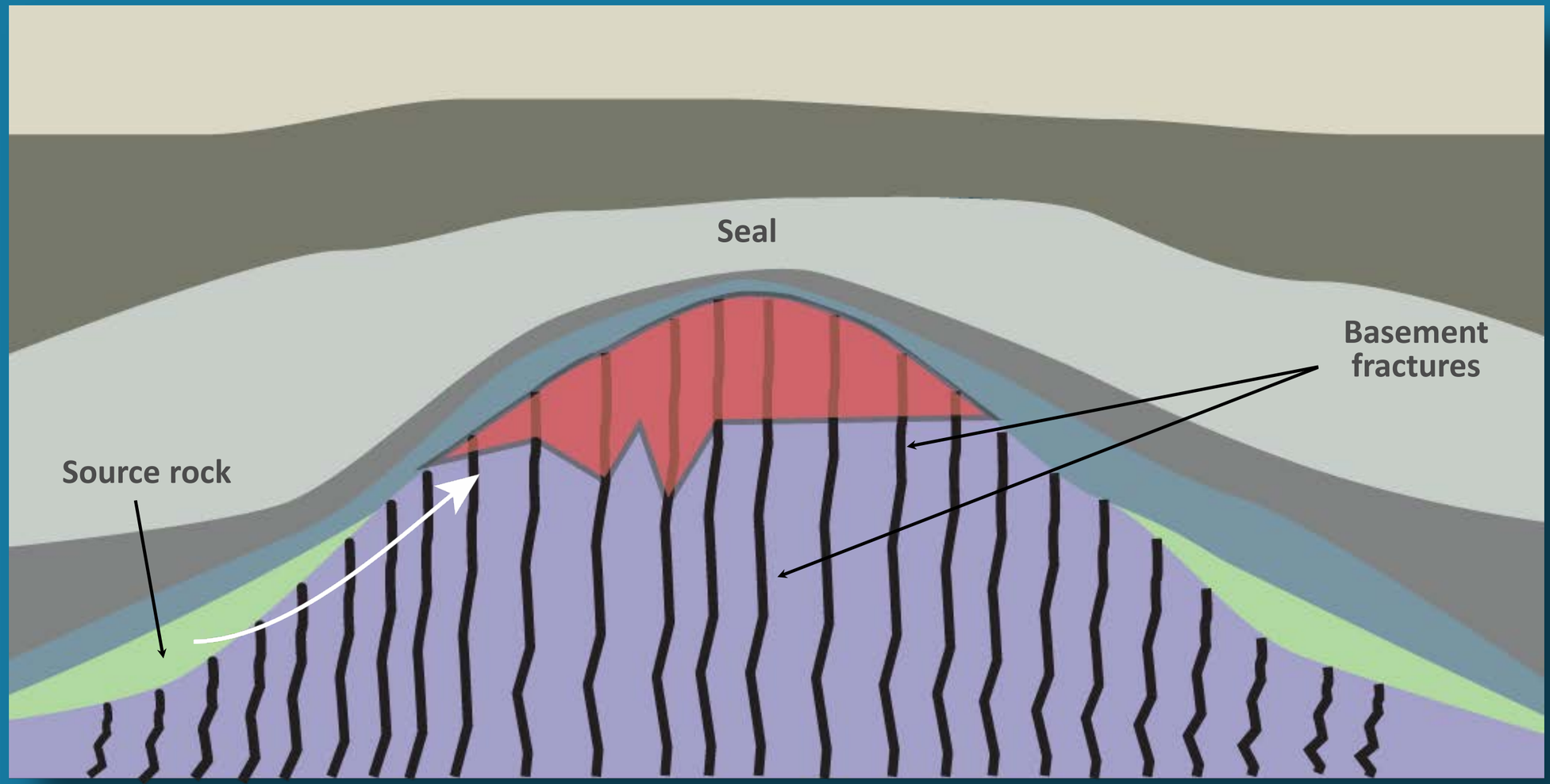
Source rock produces



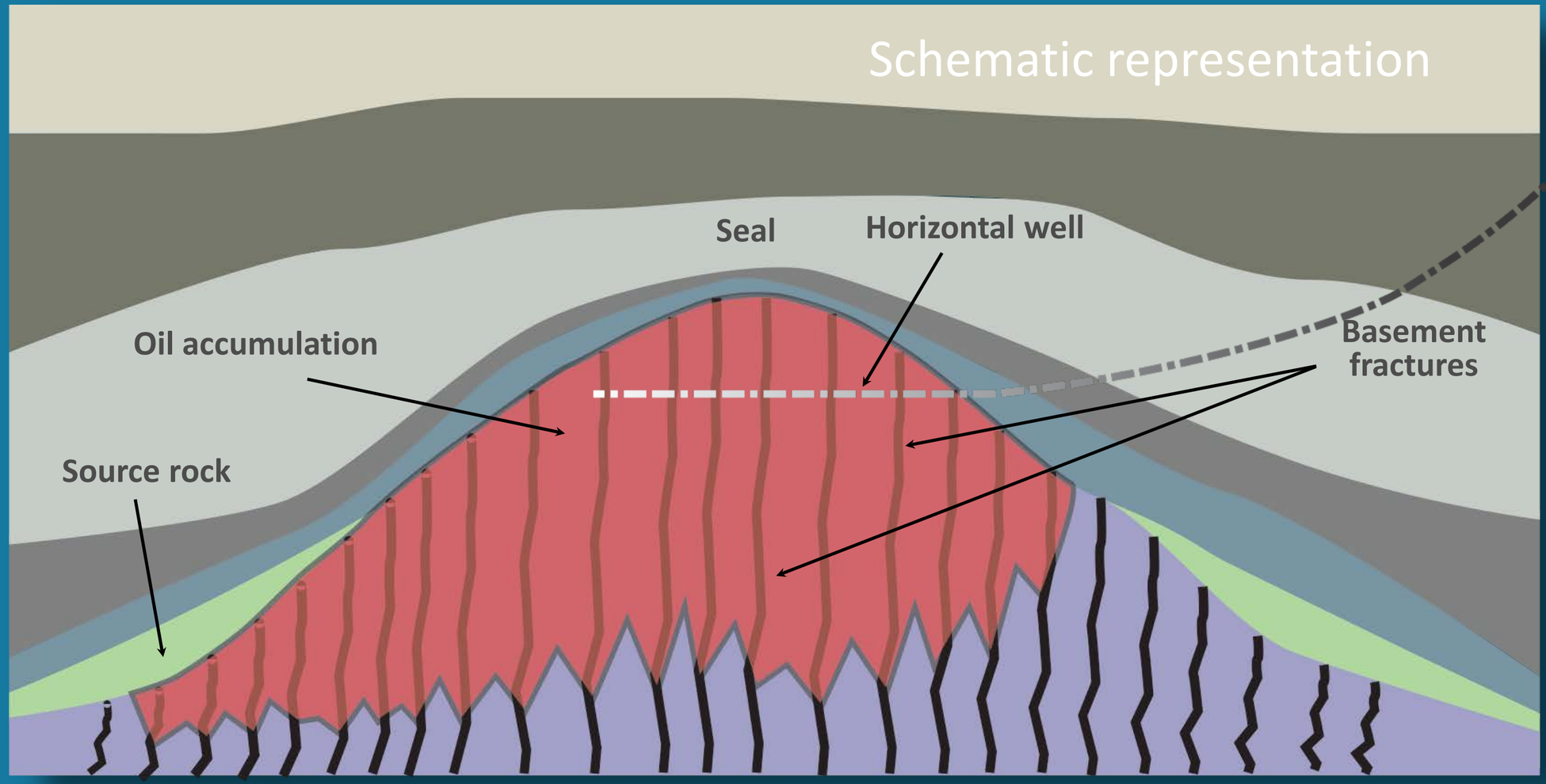
Fills top of the structure

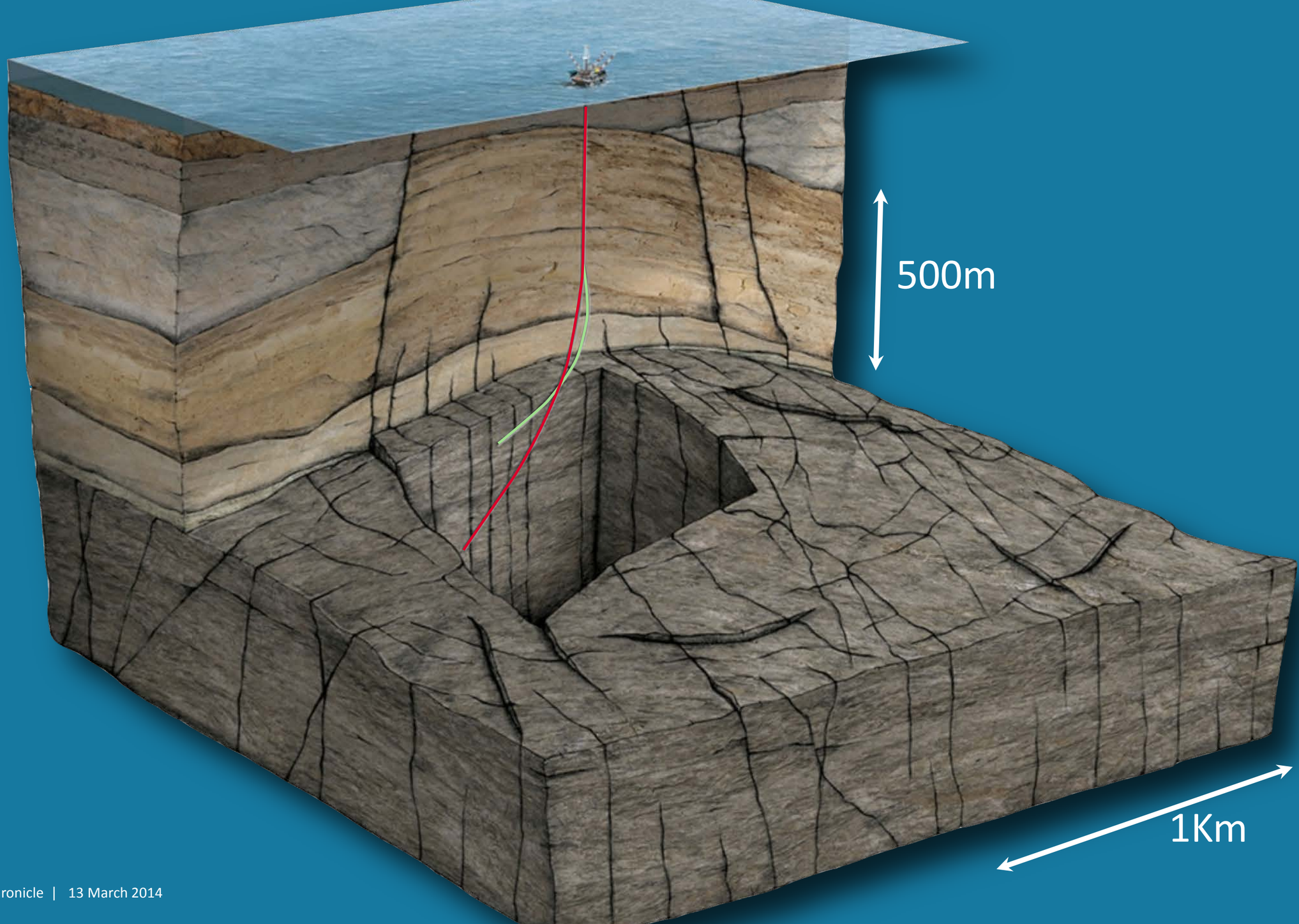


More oil backfills the fracture network

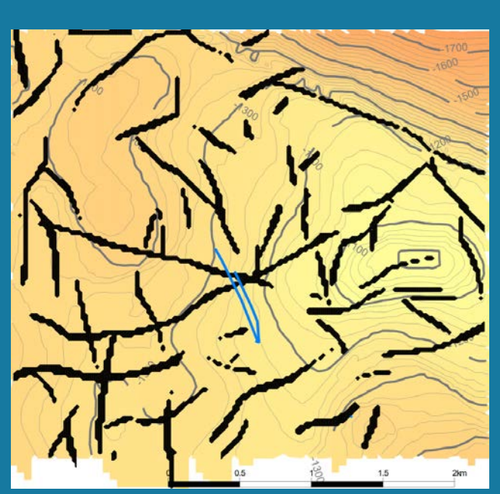


Large accumulations

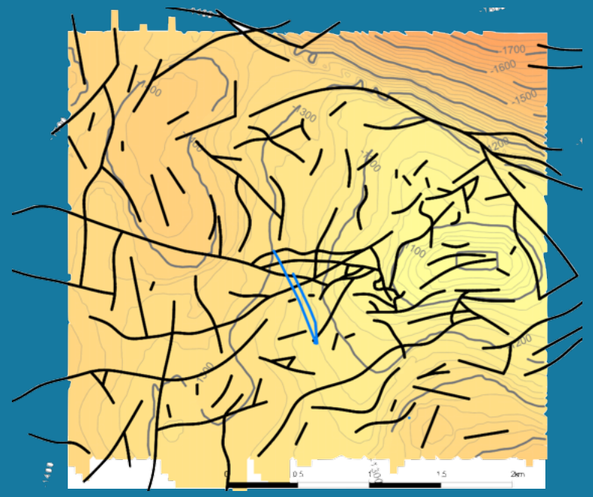



500m
1Km

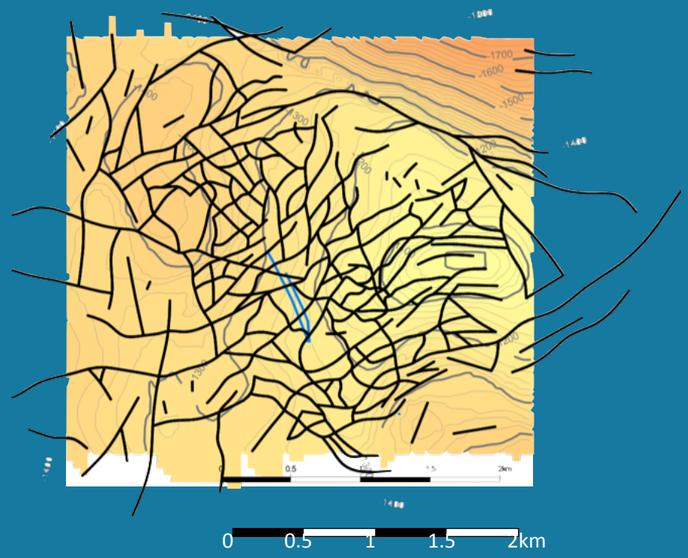
Increasing understanding



Pre-drill



Post-drill

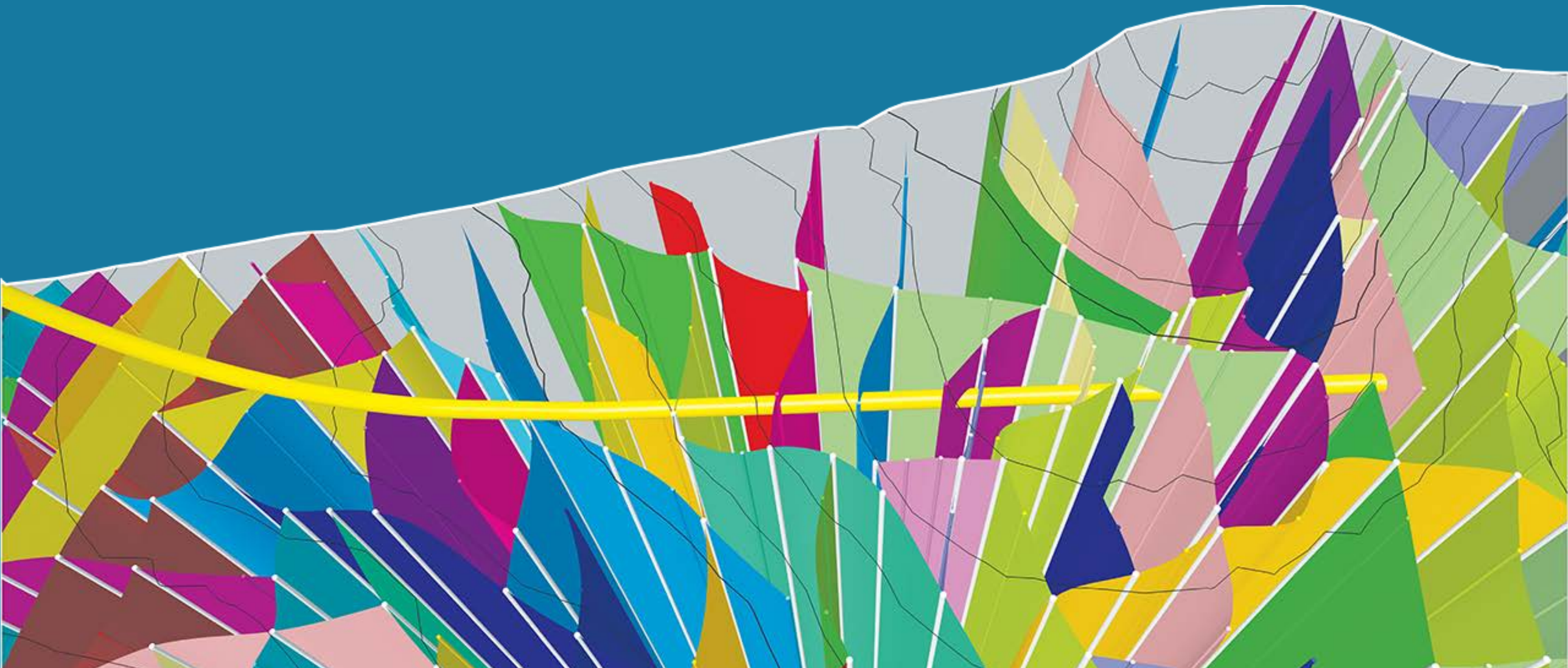


Recent seismic work

Q2: Sedco 712

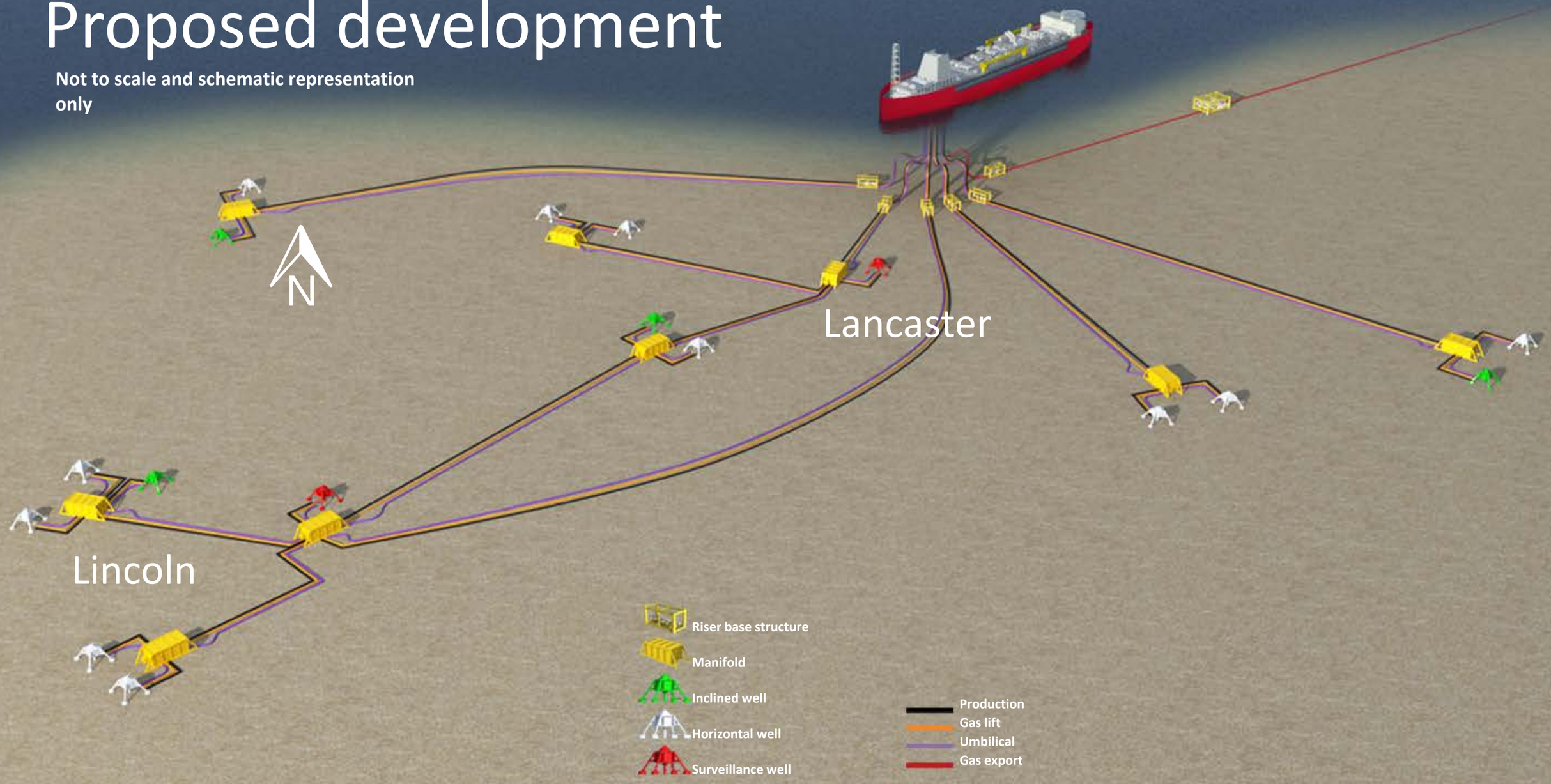


Lancaster model



Proposed development

Not to scale and schematic representation only



Lancaster valuation

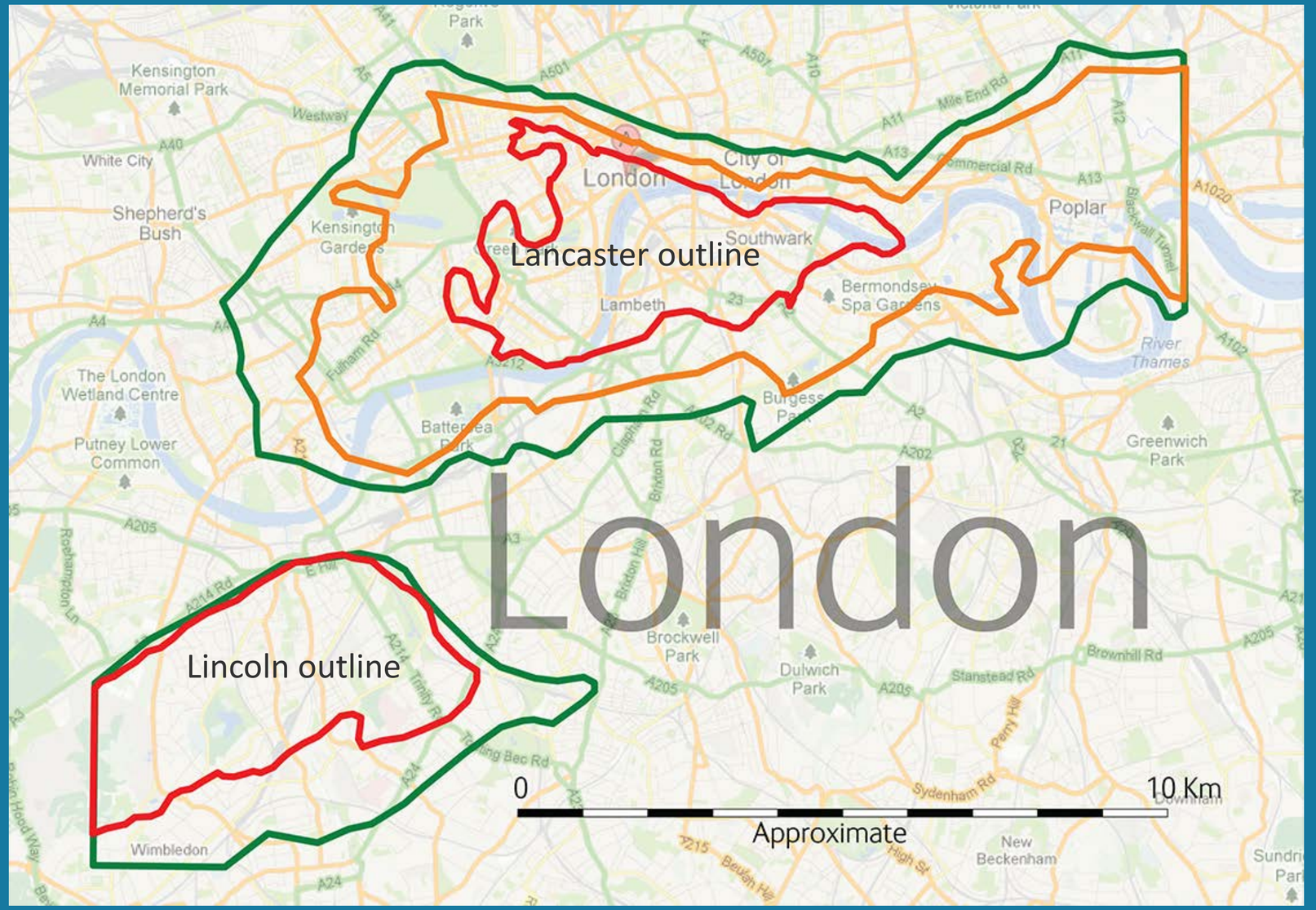
From the independent Competent Person's Report, the 2C, 207MMboe, case for Lancaster has an NPV[10] of:

USD $1.3bn

Source: CPR November 2013

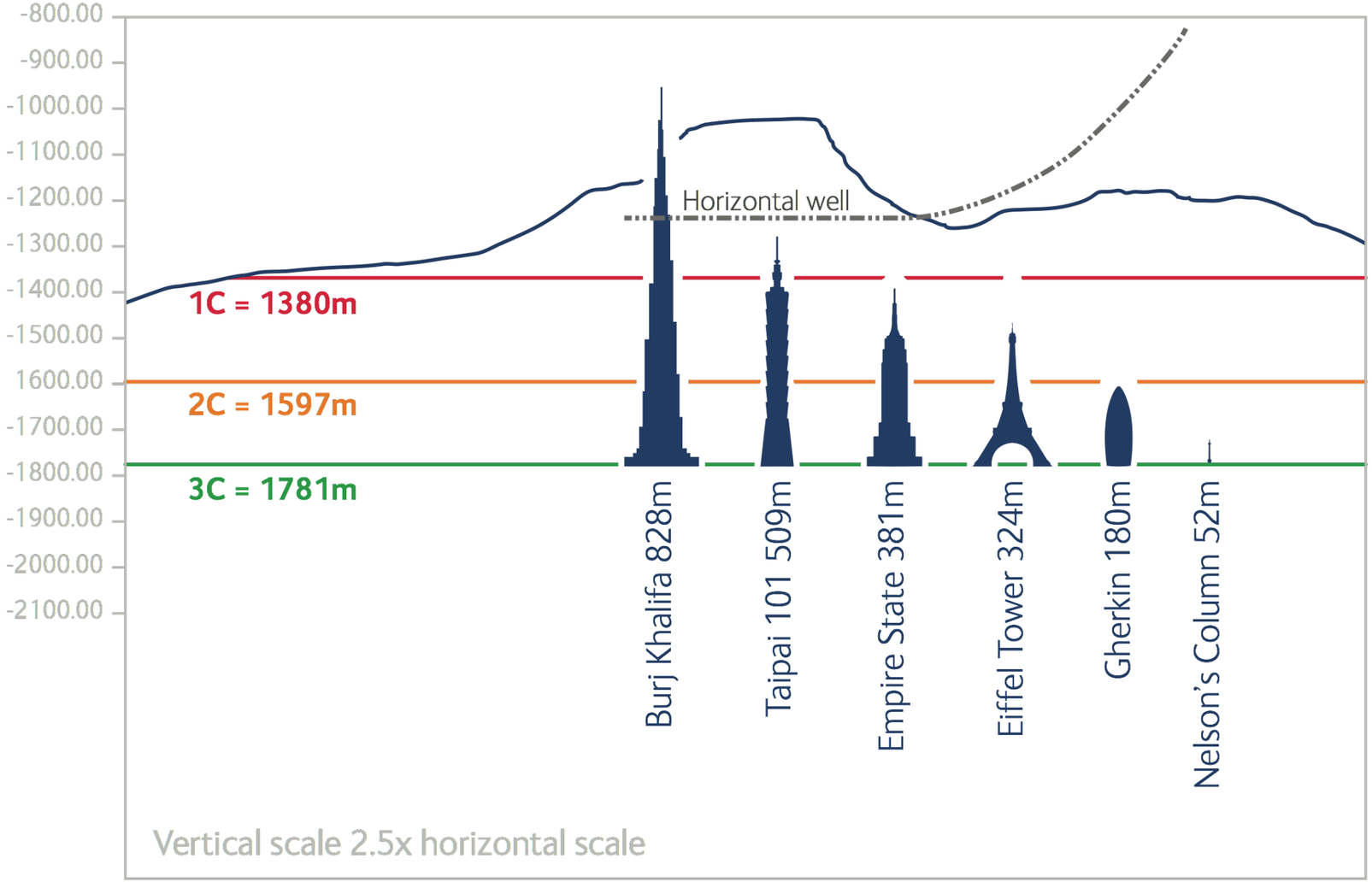
Lancaster scale

Base case, MMboe	Lancaster Contingent Resources		Lincoln Prospective Resources	
Represents depth for	1C	62	P90	44
Represents depth for	2C	207	P50	150 (not shown)
Represents depth for	3C	456	P10	339

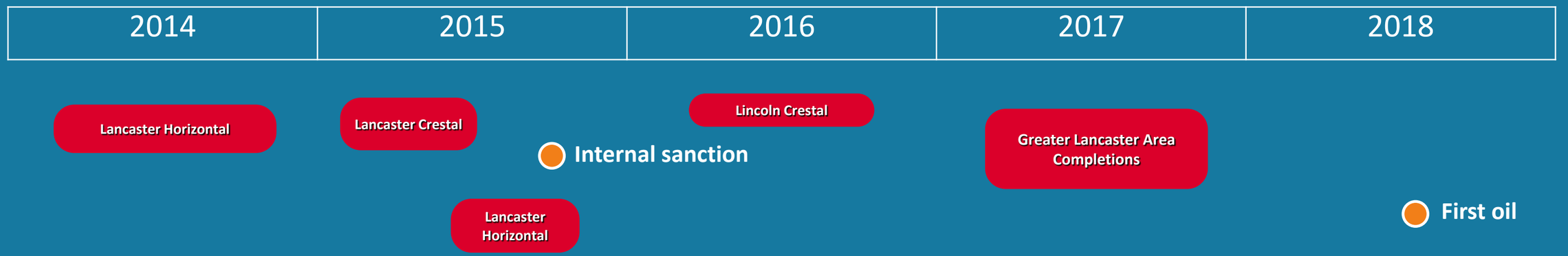


Lancaster scale

The schematic diagram below indicates a comparison of various well known buildings with the depth of the **Lancaster** structure and indicates the approximate path of the horizontal well planned for 2014.



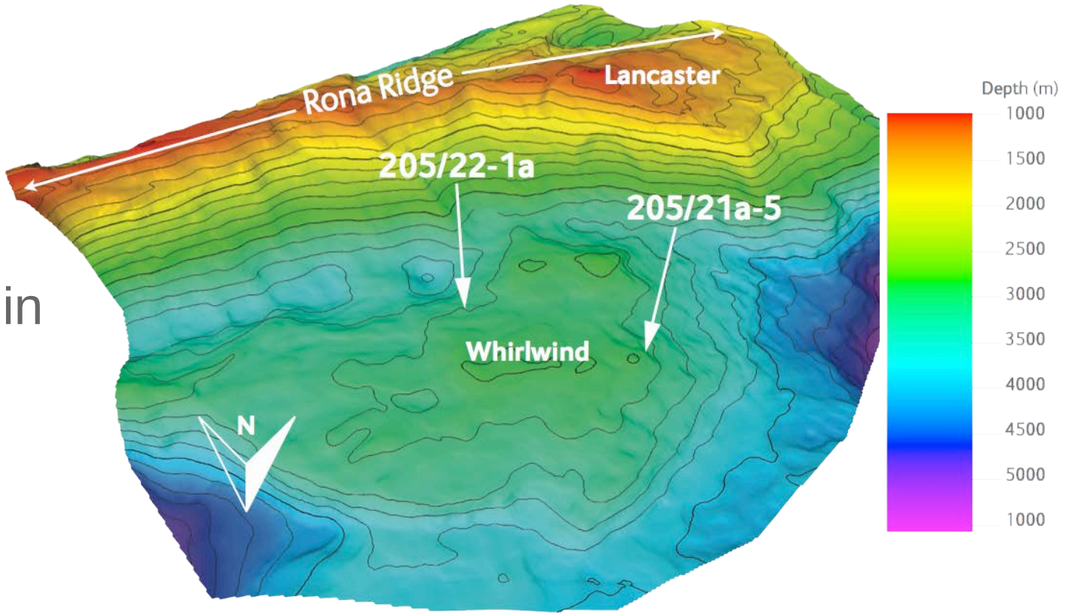
Getting to first oil

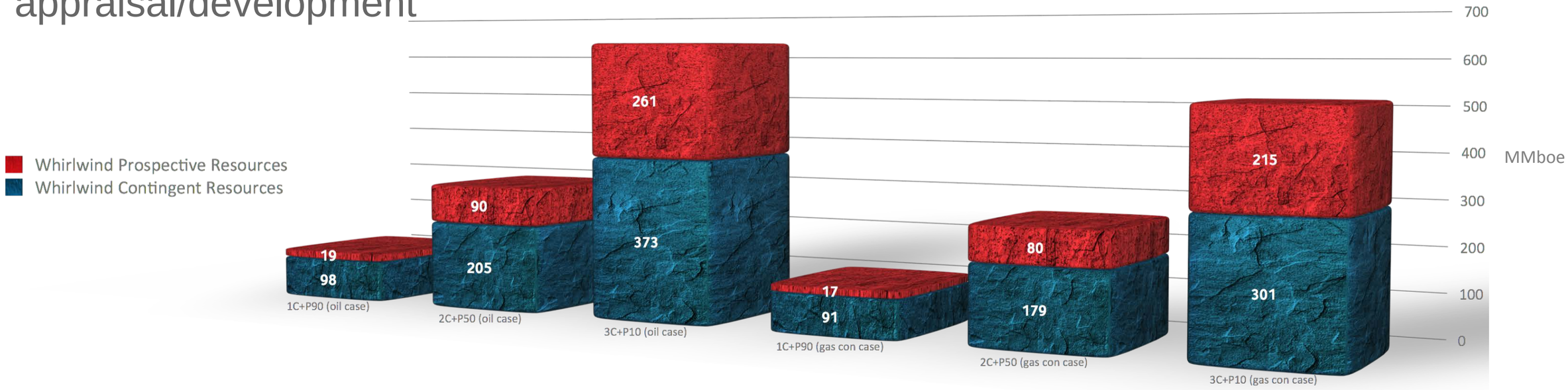


Illustrative only

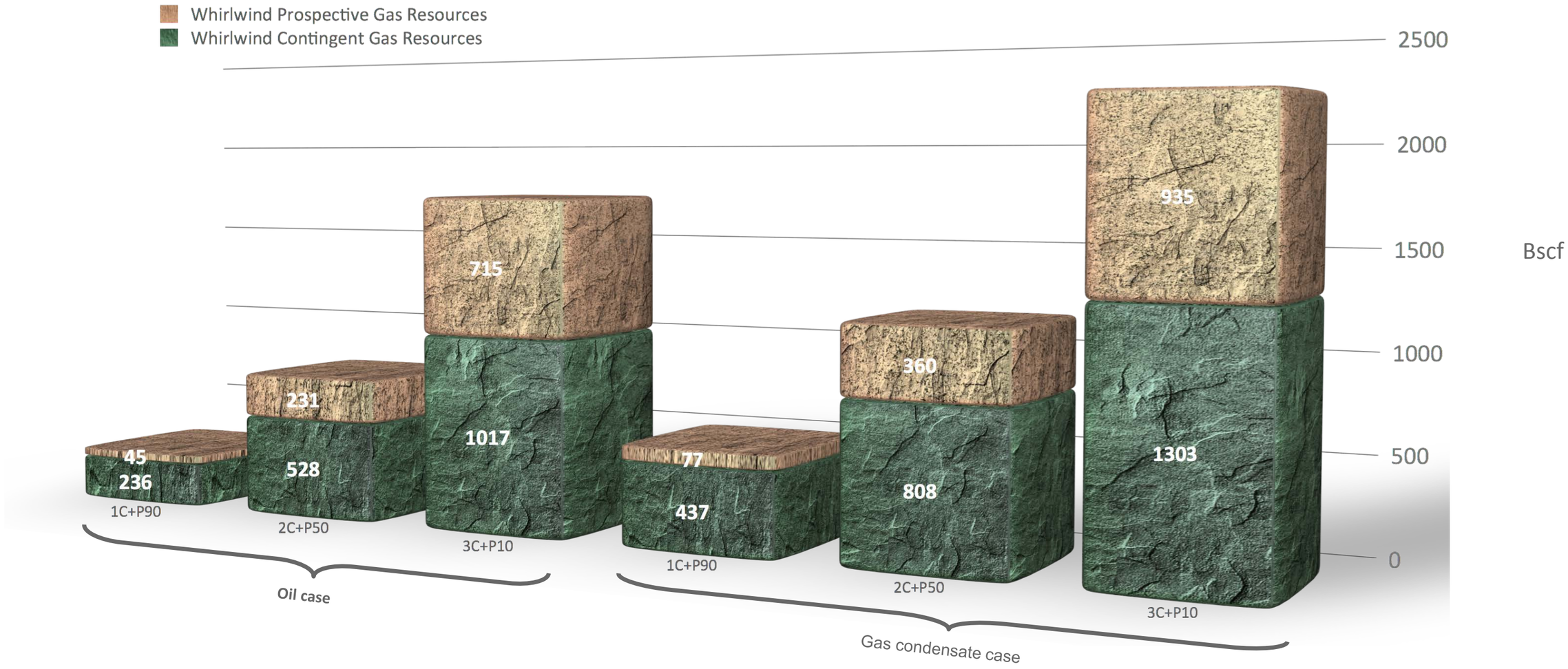
Whirlwind

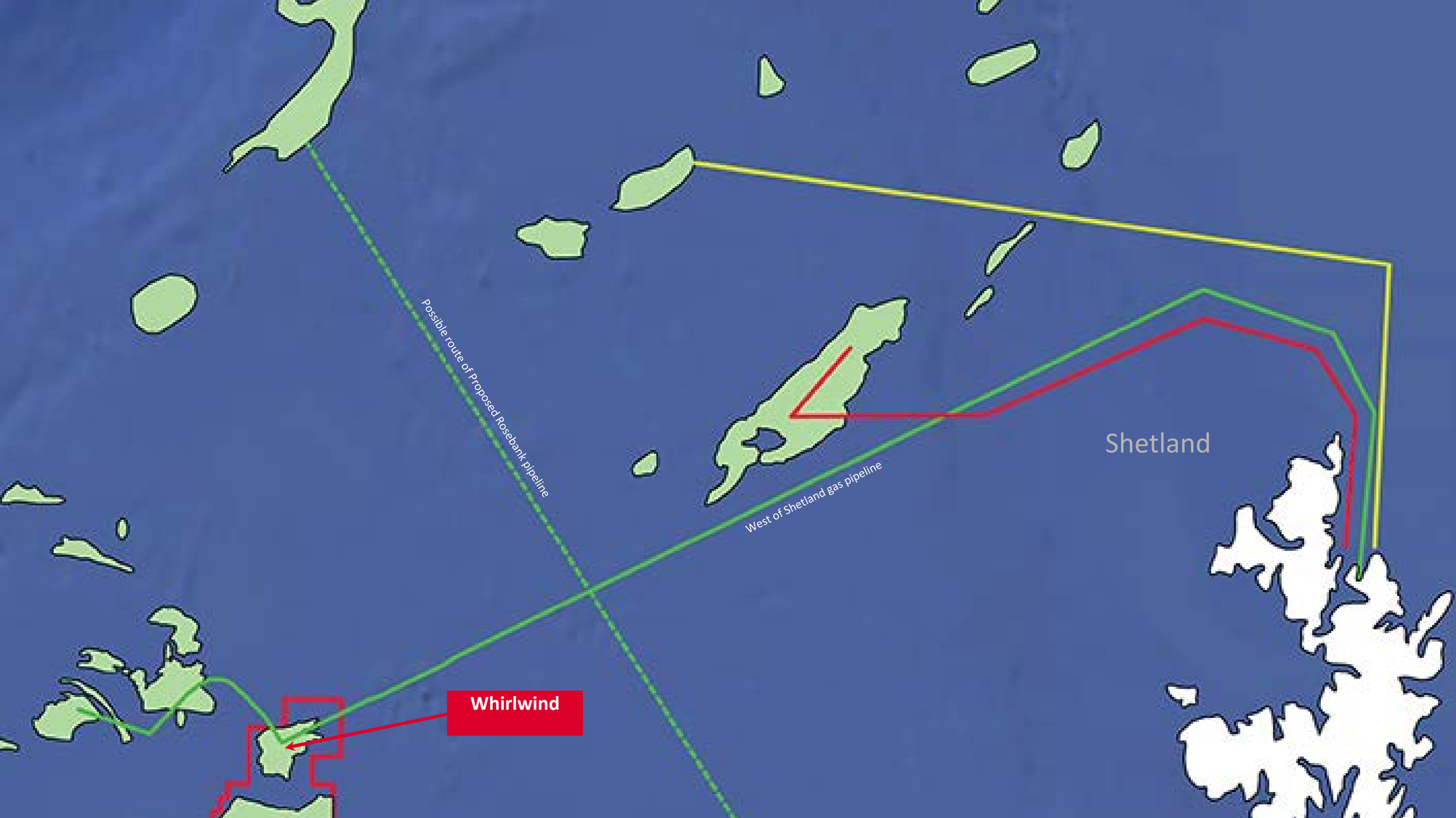
- Drilled in 2010, (205/21a-5)
  - 270m vertical hydrocarbon column found in limestone and underlying basement
- Re-entered in 2011
  - successfully brought gas and light oil to surface
- Well suspended for future appraisal/development





Whirlwind – potential gas resources

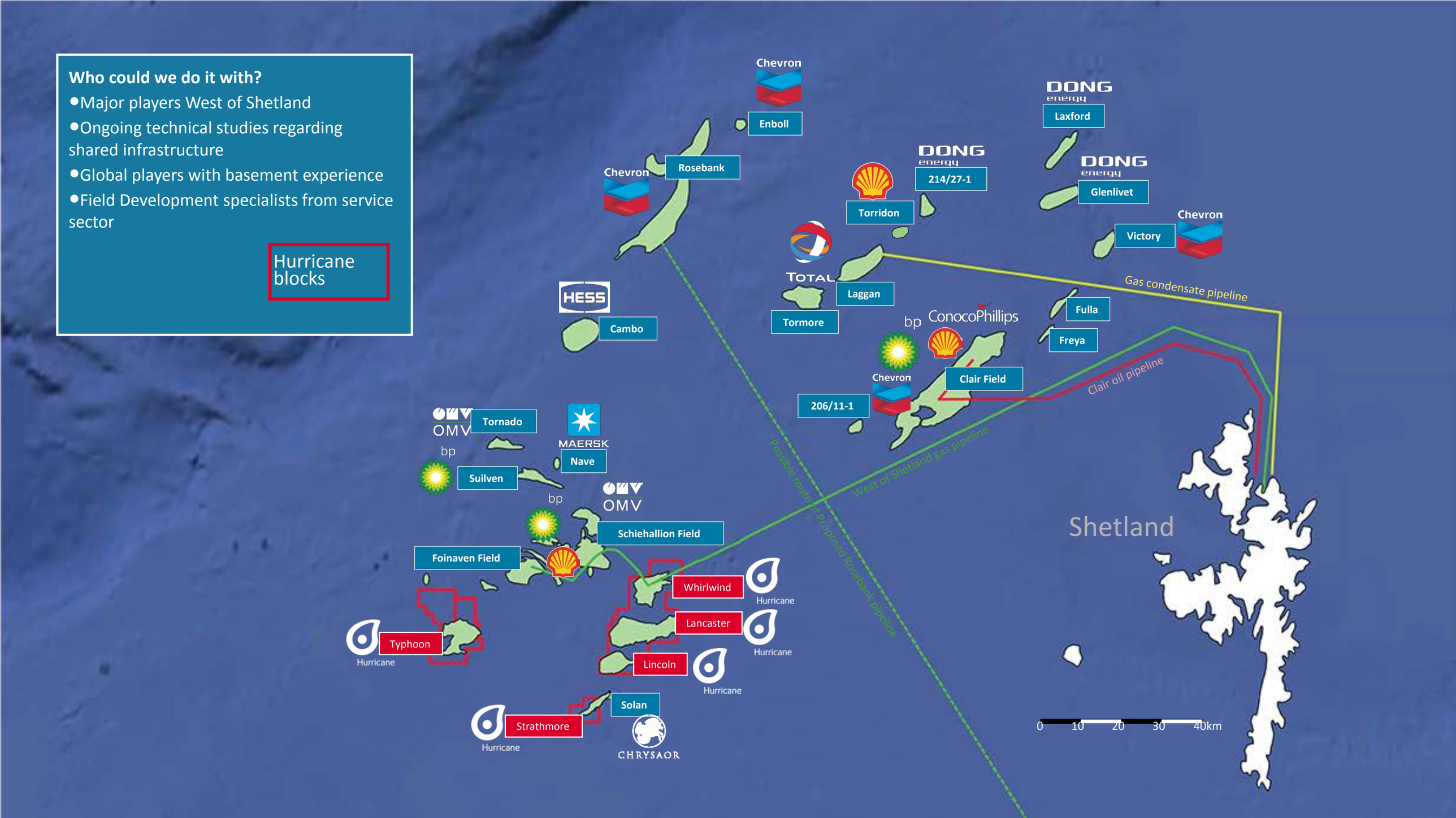



Possible route of Proposed Rosebank pipeline
West of Shetland gas pipeline
Shetland
Whirlwind

Who could we do it with?

- Major players West of Shetland
- Ongoing technical studies regarding shared infrastructure
- Global players with basement experience
- Field Development specialists from service sector

Hurricane blocks



The Hurricane opportunity

- Good location: Region of UKCS with most “yet to find oil”, OECD, ‘Big Oil’ neighbours
- 3 billion barrel* upside case opportunity on Hurricane’s acreage
- Flexible forward divestment strategy
- Upcoming Lancaster well aims to significantly de-risk development
- Lancaster 2C valuations attractive
  - Base case $1.3 billion @ NPV10
- Relatively low risk follow-on opportunity in 2015 on Lincoln subject to funding and rig following successful Lancaster operations in 2014
- Corporate growth potential on existing licence
- Basement an attractive global play, global analogues to WoS assets

* All assets 3C + P10 resources

Thank you