

**Hyperdynamics Corporation
Annual Meeting Transcript
April 19, 2017**

Mr. Fred Zeidman: Good morning, ladies and gentlemen, my name is Fred Zeidman. I'm a member of the Hyperdynamics Corporation Board of Directors, and on behalf of the Board and senior management, I welcome you to our Annual Meeting of Stockholders.

Today's meeting relates to our fiscal year ending June 30, 2016. The agenda for this morning will be as follows:

I'll conduct the business meeting, where shareholders will vote on the items listed in your proxy.

After that, I'll adjourn the business meeting and we will hear a brief update on the company's progress from Ray Leonard, President and Chief Executive Officer of Hyperdynamics.

If you have a question about the Company's plans and operations that you would like to address to Ray later in the meeting, please, go ahead and write down your questions now on the card that was placed on your chair. Towards the end of the business meeting, we'll come down the aisle, collect your question cards, and we'll try to answer as many questions as time allows. Also as a housekeeping matter, if you did not sign in at the front desk when you arrive, do so before you leave so that we have a record of your attendance.

Now, I'd like to introduce the other non-executive independent member of the Board of Directors who's attending, but I don't see him here yet, Bill Strange, the Chair of the Audit Committee, who's supposed to be here. I haven't seen him yet.

Paolo Amoruso has been appointed by Hyperdynamics as the Independent Inspector of Elections. In accordance with our bylaws, he will serve as secretary of the meeting and will record the minutes. He's delivered an affidavit of the transfer agent for our common stock, American Stock Transfer and Trust Company, as to the distribution of notice of the meeting.

The affidavit states that on February 13, 2017, notice of the meeting together with the related proxy materials and our annual report were distributed to stockholders of record as of the record date January 20, 2017. This affidavit is available to any stockholder who wishes to examine it.

For the report of the secretary of the meeting they're present or represented by proxy holders of approximately 17 million shares of Hyperdynamics common stock who were entitled to one vote per

share. This constitutes about 80 percent of the issued and outstanding shares of stock entitled to vote, and it represents sufficient shares to establish a quorum for the meeting.

Now, we'll proceed to the business items on the agenda. During the business meeting, I would ask you to limit your comments to the specific items that are up for shareholder vote. As a courtesy to other stockholders, please, keep your comments to two minutes or less. Remember that only stockholders and those of the proxies of stockholders should speak. A reminder that after the business meeting is adjourned and Ray Leonard has provided a company operations update, he will answer your more general questions about the company.

If you haven't yet voted or if you want to change your vote and you need a ballot, please, raise your hand and one of the ushers will bring it to you. I don't see any. Thank you very much.

Now, Proposal 1 is the election of six directors to a one-year term. All of the nominees are current directors of our Company. The nominees for director are Gary Elliston, Ray Leonard, Patricia Moller, Ian Norbury, William Strange, and myself, Fred Zeidman. Details and qualifications of these nominations are shown in the proxy statement, which was sent to or made available to all stockholders. The Board recommends a vote FOR the election of each of the nominees. A motion to elect directors is now in order.

Mr. Paolo Amoruso: I so move.

Mr. Fred Zeidman: Does anyone second the motion?

Ms. Deborah Johnston: I second.

Mr. Fred Zeidman: Does any stockholder wish to ask a question or make comments concerning the election of directors? If so, please, stand, state your name, where you live, and a reminder to please keep your comments to no more than two minutes. If you're voting by ballot today, please, mark your ballot.

Proposal 2 is the ratification of the selection of Hein and Associates as the independent registered public accounting firm for the 2017 fiscal year-end that ended June 30. Representing Hein and Associates today is Mark Zilberman. Mark is in the back. The Board recommends a vote FOR the ratification of selection of Hein and Associates. A motion is now in order.

Mr. Paolo Amoruso: I move to approve.

Mr. Fred Zeidman: Does anyone second the motion?

Ms. Deborah Johnston: Second.

Mr. Fred Zeidman: Is there any discussion concerning the ratification of our independent auditor? Again, please, stand, state your name, where you live, and a reminder to please keep your comments to no more than two minutes. If you're voting by ballot today, please, mark your ballot. None?

Proposal 3 is an advisory non-binding vote on the frequency of an advisory vote on compensation of our named executive officers as disclosed in the proxy statement. The Board of Directors recommends that an advisory stockholder vote on executive compensation be held every three years. A motion is now in order.

Mr. Paolo Amoruso: So moved.

Mr. Fred Zeidman: Does anyone second?

Ms. Deborah Johnston: I second.

Mr. Fred Zeidman: Is there any discussion concerning the advisory vote on the frequency of an advisory vote on compensation of our named executive officers? Please, stand and state your name, where you live, if so. None? If you're voting by ballot today, please, mark your ballot.

This concludes the matters to be acted upon at this meeting. I would now ask that the ushers collect the ballots and give them to the Inspector of Election. If you'd like to submit a ballot, please, raise your hand now and keep it raised until the usher has collected your ballot.

Our CEO's been on the road. And as Ray votes, I'll declare the polls closed. And we'll take a moment or two to tally the ballots. We have one more ballot. We're waiting for the last ballot. We'll tell you with 18 million votes in, each of the directors has been re-elected to a one-year term and Hein and Associates is ratified as independent auditor. With that, I declare that the business meeting portion of our annual meeting is adjourned. Thank all of you.

And next, I'm pleased to turn the meeting over to Hyperdynamics President and CEO, Ray Leonard. Ray, thank you. First of all, again, our deepest condolences on your loss. Let me turn it over to Ray now.

Mr. Ray Leonard: Okay, thank you. Thank you very much. Thank you all shareholders for coming. Thank you. I see a lot of old friends here. I see some new people, too. I appreciate your long-term interest in Hyperdynamics.

First of all, I'd like to introduce Sergey Alexeev, who's just been appointed our Chief Financial Officer and Senior Vice President. He's been working with us as the Vice President for Commercial Affairs, but he's now been promoted, and he will be a major force in the Company moving forward. You can see on the press release his very impressive resume. And the fact that he is committing himself to this Company indicates his belief in the project and belief in the upside potential of our success.

We're now at a very interesting and crucial point in the Company's history. After a string of events, almost biblical in their proportion of misfortune, from Ebola, to the SEC, to the DOJ, to the fall in oil prices, to partners not honoring their obligations, we have somehow emerged, and we are now in a position to test the value of this concession.

And what I'd like to do today is give you a thorough appraisal of just what has happened over the past nine months and why we feel very good about what is about to happen over the next few months and give you a very clear appraisal of the risk reward of just where we are at Hyperdynamics right now.

I think the way I'd like to start is just to go over just what has happened in the last nine months. The first step, of course, is that Tullow and Dana exited the concession, and the settlement agreement with them was that we would get about \$3 million, of which a good portion of that would turn back over to Dana, which was repaying them for their share of the long lead items and getting those long lead items and getting the well plans from Tullow to get them completely out of the block with no way to get back in. And in that, we gave up the lawsuit. We gave up Tullow's potential carry for the well. And that was a tough decision, because we felt that we had a winning lawsuit. The problem was lawsuits take time and this lawsuit would not have finished before the concession was over.

We did a litigation assessment, and the assessment was that we probably would have won the lawsuit to get back to carry from Tullow, which was somewhere between \$27 and \$37 million, depending on whether we get the full carry back or what was left of the carry, which was somewhere between a \$1.20 and a \$1.70 a share, given that we had 22 million shares outstanding. But, at the same time we did additional technical work, and we felt that this was a multi-hundred million barrel concession upside. And so, we felt that it is better to give up a lawsuit, which at best was going to be a \$1.50 a share to shareholders, and see if we could still get the expiration upside.

So, we signed that, which obviously was a risk. And then, we went back to the government. And about a month later, we were able to negotiate a one-year extension on a reduced size block of 5,000 square kilometers, but that block basically kept all the best prospects on the block that saw. So, reducing the acreage still gave us what we wanted to have.

Now, the government of Guinea understandably was very frustrated by the failure to drill the well of Tullow and Dana. So, they put very stringent conditions on us. We had to drill a well during that period or be liable for the cost of the well if we didn't drill it. And plus we had to spud the well in April.

Although, it did say that if you didn't spud it in April you had a 30 day cure period, which meant that you had to spud the well, although that's been changed to start drilling operations by May 30. So, that remains in force.

So, we had two really big hurdles that we had to do, almost insurmountable in this environment. Number one is we had to somehow get \$50 million for the well. We had \$8 million in the bank at the time. So, we had to get that hurdle at a time that the oil price was only about \$30 a barrel and the entire industry was turning away from deep water prospects, and also from scratch we had to put together an organization to drill an ultra deep water well, because Guinea would not have given us this concession unless we demonstrated to them that we could actually drill the well ourselves. So, we had those two hurdles that we had to work on, and we hit them hard from the start.

On November 30, we entered into a contract with Pacific Drilling. And I don't know how much you're aware of Pacific Drilling, but they have a strategy in which they have seven ultra deepwater rigs of the highest standard and quality. Their rigs have been mostly long-term contracts with companies like Total and Exxon and Chevron. They're looked at as the elite of the industry. The particular rig that we're going to be using has just finished a five-year contract. It came right out of the shipyard to Total, and it worked for Total for five years with a 98 percent efficiency rating, only 2 percent downtime. So, it's one of the best rigs in the world. And that also highlights a key difference this time in drilling as compared to what we did in 2011.

In 2011, we basically brought in AGR and said, "Okay, you guys take care of the details, and we'll just supervise you." This time we have actually gone in there and done a lot of the contracts and picked the key suppliers ourselves. And instead of the Jasper Explorer or the African Queen, as some people renamed it, we now have one of the best rigs in the world.

The second thing we did was we signed a master service agreement for Schlumberger to handle the eight major facets of the drilling, such as logging, cementing, etc. And, again, instead of a polyglot of different suppliers, we now have the number one oil service firm in the world that will be running most of the drilling activities for us. So, for this well instead of the African Queen and various other second and third tier service providers, we have one of the best rigs in the world and the best service contractor to do it. So, that is a key difference for this well as compared to what was done before.

Then on March 30 we signed a Farmout Agreement with SAPETRO, the South Atlantic Petroleum Company, for a 50 percent interest in the concession in return for paying 50 percent of the cost of the well and also repaying us for 50 percent of the cost that we had incurred on the well up to that point, which has been about \$8 million. So, that means that \$4 million would be paid. So, that's the Farmout Agreement.

And then, last week, and this was announced this morning, we signed the PSC third amendment, which brings them in as parties on the block. Now, this is a two-stage process. First, we sign the agreement between ourselves, SAPETRO, and the government, and then the second piece is it's ratified by a presidential decree, which has happened for the first contract, which has happened for the second amendment, which has happened in every major step. So, this will happen. The president has been out of the country. He will back at the end of this week. So, we expect that to happen in the near future. And that will officially close the deal and bring SAPETRO in on the project.

Now, one question that people may have is that in November we signed a letter of intent with SAPETRO to come in as a 20 percent partner paying 40 percent of the share of the well. At that point in time we've anticipated that we might bring in a third larger company, and for a number of reasons that didn't happen. And so, SAPETRO made the decision to come in at a higher interest. And in addition to the 50 percent partner, they also agreed to take on the responsibility of the \$5 million security instrument. So, they've done things in addition to the 50 percent share at this point. So, everything needs to be taken into context.

Those are the key events that have happened, and that's where we are at this point in time. We have the obligation to start drilling operations, which basically means getting the rig into Guinea waters by May 30, and we are moving forward on plans to be able to do that, as I'll talk about when we get to the operations portion of the discussion.

I really want to divide this into three pieces. The first piece talk about technically what's happened, because a lot has happened in our evaluation of the prospect between where we were in August and where we are now, and I think it's worthwhile you really understanding that. Then, I'll talk about where we are in the operation standpoint and the timing for drilling. And, finally, I'll talk about where we are on the funding.

So, from the first standpoint on the technical development, the real breakthrough was the reprocessing of the 3D data cube by eSeis on the Fatala and the Buried Hill prospects that resulted in a major data quality improvement and also showed direct indicators of hydrocarbon and trap seal.

Now, this was done after Tullow and Dana left the block. So, it's not as though Tullow and Dana looked at this data and said, "Well, we still don't like it." You know, a strong case could be made if they'd seen this data, they may have swallowed and said, "Okay, well, maybe we don't think we have the money, but we're somehow going to find the money." Who knows? But, at any rate, they didn't see that.

We had done a Netherland, Sewell report in early 2016. We showed them the eSeis work. And Netherland, Sewell, I said, "Whoa, wait a minute. Let's increase the chance of success, because this really has increased it." Then further detailed investigation of the seismic gathers demonstrated that evidence at Fatala shows an oil water contact. It's somewhere around 5,200 meters, which further

reduces geologic risk. And this oil water contact on the gathers conforms with every other seismic attribute, which in map view, and I'll show you this in a minute, indicates that you have an accumulation that goes down dip about 600 meters and then stops at about 5,200 meters, which would indicate a field somewhere around 600 million barrels.

Now, there's an interesting story on this, because as we have in the past two or three months talked to companies in trying to get this third party to the original deal that we envision, which is SAPETRO for 20 percent and then a third party, the companies would come in and they would say, "Well, you know, this is a high risk deepwater well. In order to present it to our management to get approval, we need for it to pass certain tests." And one company said, "Whenever we take in a deepwater well to the Gulf of Mexico our management says, "Have you been able to show on your amplitude extractions a cutoff at a certain depth, and can you show that you have a lower interval velocity on the seismic for that particular zone?" Because, a lower interval velocity is associated with an oil-saturated sand as compared to water sand.

So, we said, "Okay, we haven't done that yet. So, let's do that together and do that analysis." And we did that analysis, and it showed exactly what they wanted. They went back to management. And they came back to us and said, "Yeah, we want to do this, but we don't have the money in the 2017 budget. So, why don't you go back to the government and see if you can get another year, and then we can do a deal." And the problem is that the government specifically gave us this license only if we would drill in 2017, because if we couldn't drill in 2017 they would have just re-tendered it and probably gotten somebody else to come in. So, you know, that was a non-starter, but we did have the analysis now that showed it passed those tests.

Then, we had another company come in and said, "Well, we won't take this to management unless we can show an oil water contact on the gathers." So, we said, "Okay, well, let's do this." So, they brought in their programs. They brought in their geophysical expert. And we did the work. And sure enough there was an oil water contact. And they took it the management. And the management came back said, "Yeah, we want to do this, but we don't have the money in the 2017 budget. So, can you go back to the government and see if you can get a year's extension," which was a non-starter.

But on the other hand, we did have the analysis that showed the oil water contact. So, you know, it was kind of like a broken record, but each time the record went we had another piece of evidence that showed us how good this prospect was. So, that's the story of the last couple of months. And the advantage is that as we're talking to investors who want to come in and help fund the well, we can show this additional work that reduces the risk, that is, it's bringing investors in to help us fund the well.

If we end up drilling the well with the higher interest, well, that's more value to the people who have shares. So, it may be a virtuous circle after all at the end of the day.

Another point is we've done additional regional geologic work, again, answering questions to the companies that come in that continue to demonstrate the superiority of Guinea to the surrounding areas. And the final piece, which has really come out in the end is we went back to eSeis and said, "Can you do your reprocessing on some other prospects besides Fatala and Buried Hill?" And so, they did it on two other prospects, on Bamboo and Oasis.

Bamboo has a number of the same characteristics as Fatala. Oasis doesn't. And so, what's happened as we've looked at this is Bamboo looks better and better. And if Fatala comes in it's likely that Bamboo is going to be the second well rather than Buried Hill. Oasis doesn't look like a prospect we want to drill, but, you know, that's okay. If every prospect looked wonderful then you'd have to scratch your head and think, "Well, maybe there's something wrong with your analysis." But, if some prospects are good and others are bad then it gives you a little more confidence that your analysis is discerning.

Just to go back to the overall summary of what the block looks like, as you can see, we have the whole play within this 5,000 square kilometer block. There are seven of these trends. The best prospect is-- we still feel is Fatala. This is the Bamboo prospect. As we've done further work, I suspect this P50 mean reserve numbers is coming up. Here's the Buried Hill prospect. It's a slightly smaller prospect. These are 500 square kilometer blocks. If you make a discovery you can get appraisal blocks, which can cover additional prospects. We still haven't tested the question of when you can get irregular blocks, which could perhaps take additional prospects, but we hope to be in a position of testing that.

This is a Netherland, Sewell report. It shows that when they re-looked at Fatala and Buried Hill with the eSeis work, they increased the chances of success. Now that we've done eSeis over Oasis and Bamboo, I suspect that number will go down and this number will probably go up to be something like the Fatala number.

This is an interesting piece of work that was done by Ken Nibbelink, our Chief Geologist. And one of the things that's happened over the past few years is a number of companies went into Sierra Leone and Liberia and drilled a lot of wells, most of which found some oil, not a lot of oil, but some oil. And all of the licenses have been relinquished, and they've walked away. And one of the main reasons they walked away was the quality of the sandstones was substandard, and because the discoveries were in deepwater, if you don't have a really good reservoir in deepwater, you don't have an economic prospect, because you need the high flow rates to pay for the high costs.

And one of the things that's come out of this study is that Sierra Leone and Liberia the onshore areas are metamorphic rocks. And metamorphic rock when you drain the areas and dump those rocks into your deepwater channels and they're buried tend to degrade and make poor reservoir rocks. In

contrast in Guinea you have good quality quartz sandstones, and quartz sandstones are the best province for rock.

So, you have a clear evidence that you're going to get better quality reservoir rocks offshore Guinea than you did in Sierra Leone and Liberia. And one piece of evidence you have is the old well that was drilled in 1977 has over 200 meters of high quality 27 percent porosity sand, and that's the sand that has been scraped off and deposited in the deepwater channels.

This is a seismic spectral decomposition section, and this is the Fatala channel very clearly defined. Here's another view of the channel. This is the area where your source rock is in maturation--oil maturation. So, your source rock is feeding into the channel here, and it's migrating up dip to the trap here. Another thing that one of the companies asked, they said, "Have you generated enough oil that can fill this trap and make a large accumulation?" Well, you have a volcanic high right here sitting under this, and because it's a volcanic high all of the oil that's been generated in the basin is moving toward this spot. And once it moves toward that spot, then it moves up dip in the channel. So, we were able to answer that company's question very conclusively. And, yes, you generated enough oil in the catchment area of this prospect.

This is the amplitude extractions that one of the companies was asking about. This is the Bamboo, and you have the amplitude going right down to a 5,700 meter column. This is a smaller prospect, Milo. This is Fatala. And you might say, "Well, gee, Fatala's a lot smaller than that." Well, the difference is the Fatala sand is three to four times as thick as the Bamboo sand. This is a thinner sand that extends a long distance down. This is a big, thick sand that happens to be in a smaller area.

For Fatala this is what the prospect looks like. You have an up dip fault or it may even pinch out at this point. You have an oil water contact around 5,200 meters with about a 600-meter hydrocarbon column. It's a channel that has erosional seals at the flank.

Now, I talked before about how every seismic attribute shows you about the same thing. This is your amplitude extractions. The high amplitudes, you notice they basically cut off right here. You can't read the contours here, but this is the 5,200-meter contour. You have a gas cloud overlying the prospect, which means that you have oil trapped there, but gas molecules are much smaller, and they can leak above the seal and in your fields in West Africa. And this is something eSeis could demonstrate, because they actually are contractors to a number of the other companies that work in West Africa. You have these gas clouds sitting over other fields in West Africa. It's sitting right above here right down to 5,200-meter contour. Your low interval velocities, oil saturated sands, have a lower velocity than water saturated sands. Your interval velocity extends down to 200 meters, and your pore pressure calculations, your oil columns, have a slightly elevated pore pressure within the reservoirs compared to water saturated sands. Your slightly elevated pore pressure extends down to 5,200 meters.

So, every seismic attribute says you've got something that extends from here to there. And if you remember from the previous slide, the sand goes all the way down here. So, you've got the sand all the way down here, but every attribute stops right there.

This is looking specifically at the seismic gathers. And this is the Fatala sand right here. And this type of analysis, which is probably one of the most commonly used seismic analysis techniques in the Gulf of Mexico and West Africa to try to directly find hydrocarbons, it's called amplitude versus offset. And what it shows is when you have a seismic trace that goes directly through the reservoir with zero offset you're looking at a seismic trace that goes directly down and back up. And as you increase the offset you're going like this and furthermore and furthermore. And a long offset means the seismic trace is spending more time in the reservoir. And as it spends more time in the reservoir it can detect very minor changes and more effectively.

And what amplitude versus offset is, is when you have an oil-saturated reservoir you continue to have high amplitude as you get longer and longer offset. When you have a wet sand as you get longer and longer offset you don't see that high amplitude. That's just kind of a short answer to a long detailed discussion. But, what you can see is in the Fatala sand here as you go down dip you see these are the increasing offsets. You see strong amplitude, strong amplitude, strong amplitude, strong amplitude. Then you hit 5,200 meters and it's gone. And so, that works all the way across the sections. So your AVO is a very clear indicator also of your cutoff around 5,200 meters.

This just shows it in great detail. Here's your amplitude versus offset and your degrees: 10, 15, 25 degrees, 30 degrees, strong amplitude offset, strong amplitude offset, and then it's not there. And here is your oil water contact right about that point. I don't think we can get it to the exact meter, but it's somewhere around 5,200 meters. And if you have a cutoff at about 5,200 meters you have about a 600 million barrel oil field, which is right around the P50 number that Netherland, Sewell has. We can't be more exact than that at this point, but that's about what we're looking at.

As I said before, Bamboo has the same situation. Its cutoff is at 5,700 meters, which is right here. Interestingly, you have the second sand underneath it that appears to have a cutoff at the same point. And, again, you have the same AVO with Bamboo. The one difference is you're looking at a sand that maybe is 70 to 80 meters thick as compared to more than a hundred meters thick at Fatala. This just shows the same AVO and then when you get below the contact.

So, that's where we stand from a technical standpoint. And I've got geophysicists who've been working on this for a while. I believe they'll all agree that all the seismic attributes are lining up to reduce the risk on this prospect.

Now, I'd like to talk a little bit about the key operational steps that we've taken. As I've said before, the rig contract was signed with Pacific Drilling. The contract is for one firm well and three optional wells. And that means that we can then continue with the rig onsite under the same very favorable rig rates for up to three additional follow-up wells. Now, because of the timing, I don't think we'll have time to get three wells in. You know, at best, we'll get two more wells, but we can continue after the first well with additional wells here.

Now, initially, we were going to use the Pacific Bora, which was just coming off a long-term contract with Chevron, which was very successful. However, as we looked at moving the date back a little bit, Pacific was able to get other work for the Bora. And they came back to us and asked, "Can we use the Pacific Scirocco instead of Pacific Bora?" And actually we liked that. And we liked that for two reasons. They're both absolutely top of the line rigs. Pacific Scirocco, however, is the full dual activity rig, whereas, Pacific Bora is not quite there. It's got double--it's got dual rigs, but it's not a full dual activity rig. But, more importantly, the Pacific Bora was rated down to 10,000 feet of water, whereas, the Pacific Scirocco is rated down to 12,000 feet of water.

At the time our number two prospect was the Buried Hill, which was in about 7,000 feet of water. The best location for Bamboo is in about 10,500 feet of water. So, switching to the Pacific Scirocco was fortuitous to us, because our second prospect now you would have to do some modifications to the Pacific Bora rig to get it to drill it, whereas, the Pacific Scirocco can do it. So, that change is actually beneficial to us. So, we're delighted with that shift. And the Pacific Scirocco is now in Abidjan and doing the things necessary to prepare it for the drilling.

As I've said before, the master service contract was signed with Schlumberger. We ran a tender. We had Weatherford, Baker Hughes, Halliburton and Schlumberger for all of these different things. Schlumberger came in with an offer to say, "We'll do all of them" and in addition to manage the process for a number that was actually lower than the lowest of each of those eight bids put together. What a deal. So, we took it.

On January 27, we started shipping the long lead items from the Fatala well that Tullow had prepared from Takoradi, Ghana, to the base in Conakry. One important piece of information, we have enough long lead items for two wells not just one. In other words, Tullow had been preparing at one point in time when they actually wanted to drill this thing. I do believe at one point in time they did want to drill this thing. If it was a success they would want to do a follow-up well. So, the long lead items actually there's enough for two wells there.

If we want to get a third well we're going to have to scramble, but we have enough for two. And the process was completed February 5, as we'll show you, where we have a base in Guinea that has now has the long lead items.

On April 6, we reviewed the rig together with the Guinea Head of the Petroleum Directorate and our Vice President of Operations, Forrest Estep, which was another step forward. And the mobilization is planned for the rig to be in Guinea waters by May 30 for next month. And I'll talk about that on a chart here in a few minutes.

This is the Pacific Scirocco. It is a top of the line rig. It can operate into 12,000 feet of water. It's a dual derrick, equipped for a 35,000 feet drilling depth. This well is going to be 2,500 meters or about 8,000 feet. So, in other words we're not going anywhere near the limits of capability on this well. This is going to be a very straightforward well, normal pressure and easily within the capability of this rig.

This is your operations update and timing. As I've said before, Schlumberger has been awarded the eight bundled services. Nine of the 12 contracts have been awarded. The last piece, the helicopters, the boats, and the fuel, are remaining, and we've already put out bids, and we're in discussions on those. We have a shore base with the Bolloré Company in Conakry.

I'd like to talk about the timing a little bit, because we are looking to mobilize the rig to Guinea in the second half of May. However, the original plan was to put everything on the rig while it was in Abidjan. But, given the timing and given the status of the funding, it looks like some of that mobilization will take place in Guinea once the rig is there.

And so, our best guess at this point in time is while the rig will get to Guinea at the end of May, we'll start actually the drilling in the middle of June. That date will depend on when all the equipment is there. But--and as I've said, we're starting the processes of getting the rig ready now, but it depends a little bit on completing the funding as to when some of the big ticket items are finished. And this is our best guess at this point in time.

So, things are moving forward. We're going to meet the May 30 deadline to get the rig there. The actual spud date will depend on when all the equipment is there. And this is our best guess. I can't give you an exact date, but when we take a look at all the operational pieces that's about where we stand right now.

This is just the equipment and the relocating to Guinea. We use Tidewater to move the equipment from Ghana to Guinea. And this was our crew in Guinea to load it at the Bolloré base.

Now, let me talk about the last piece, which for many of you is probably what you'd see as the first piece, which is the funding of the well. And when we started this process in September, we had a \$50 million dollar well, and we had \$8 million in the bank. So, we had 16 percent of the funding. How are we doing to do the rest? And we had two tracks. We were looking for partners, and we were looking to raise money. And it was a terrible time within the industry to do it, and we recognized that when we took the risk going forward. Now, the oil prices moved up from \$30 a barrel to \$50 a barrel, but the

problem is all of that money is going into the shale play. People are jumping into that. They're not jumping back into deepwater. So, it has been a hard uphill struggle and not only to raise money but also to try to get partners onboard.

The standard answer we get is, "We like the play. We like the geology, but we don't have money in the 2017 budget." But, nevertheless, we have brought in SAPETRO as a 50 percent partner. And one of the differences with SAPETRO is that they have a 200,000-barrel a day field, which is going to come on stream in 2018. So, from a cash standpoint they're looking for a new project and a new venture like this. And they're not in the shale play. They're a strictly an African company.

So that's half of the money. We have spent \$8 million on the well up to this point in terms of the shore base, purchasing equipment, preparing well plans, etc. And at this point in time, we have raised and have committed in our funding efforts an additional \$6 million. So, when you put all those numbers together, what we need to do between now and the end of May is another \$11 million. And, you know, if you step back and look at it, you know, we were 16 percent of the way there, and we're now 78 percent of the way there.

Now, we had a very positive piece of news come out today, and that was the firm commitment of SAPETRO is the signed PSC amendment. The guy at the front end of the wedge working on this is Sergey on the financing side. And, as you know, we've been working with Catalyst Securities, and we really have two main mechanisms moving forward.

One is the convertible preferred, which we have been constantly doing raises in the \$500,000 to \$1 million range, which that has a certain limit. And then, we're looking at a larger equity raise to close that last gap. And we're starting that large equity raise right now. We really were holding off on that until we closed the agreement with the government of Guinea and SAPETRO, because a lot of the investors was saying, "Well, we like the project. We want to invest. But, until you definitively have SAPETRO onboard as a 25 percent partner, we're hesitating." Because, once you have them onboard then our confidence that this well's going to get drilled has dramatically increased. That process for the last leg is starting right now.

So, I mean that specifically is where we are. I think if you have specific questions on the money raise the best person to talk to is Sergey and also to talk directly with Catalyst Securities. But, we are moving toward the last leg. The combination of the increasing positive technical story we have, plus the increasing checking the boxes on the government agreements and the commitments by SAPETRO are moving us in the right direction. And the plan, as I've said before, is to move forward, get that rig there by the end of next month and get this well spud and moving forward in June.

So, that is the full story A to Z in terms of where we are. And, again, I appreciate your patience. I appreciate your interest in the company. And what I'd like to do at this point in time is step back and

take questions that can be answered both by myself and other executives of company. So, you know, thank you for your patience.

Okay. Okay, the best way to handle this, of course, is for you to write down your questions and let me just go through them.

First of all: *What percentage of the concession does Hyperdynamics anticipate to retain?*

We anticipate going into this as a 50/50 partner with SAPETRO. Now, realistically to move past the exploration stage into the development stage, we don't have the technical expertise, and we don't have the finances to be a 50 percent developer of this project. So, the plan here is make discoveries and then bring in a player who will be a developer and then cut down your percentages. That's one possibility.

An example that you recently have, and I'm just using these numbers in example not as a target, is, as you know, Kosmos made a major gas discovery at the Senegal Mauritania border. And they brought in BP, and they cut their percentage down from about 80 percent to about 25 percent. I don't know the exact number, but something like that, for about a billion-dollar package. And BP paid, I think, about \$160 million in cash, and then they paid about \$220 million in carry for future exploration wells, and they paid another \$500 million plus in carry for development costs. And so, that would be the type of thing to bring in a major that would do that. And what we would do is we'd work together with SAPETRO, because, like us, SAPETRO doesn't want to be a 50 percent partner in the development side.

So, if you brought in a big player at 50 to 60 percent and we ended up at a 20 percent share and we're carried that's one option. The second option is if we're a 50 percent interest holder in a half billion-barrel discovery with another maybe making a second or third discovery, we're a target to be purchased. You know, we have no debt, no legal challenges against us, believe it or not. And, you know, we're a one-asset company. We're about the cleanest, easiest grab that can be done. And my job is not give myself a job forever. My job is to get the most money for the shareholders.

So, if somebody comes in with -- I don't want to throw numbers out, because then people come back and say, "Well, you promised this." But if it's a very big number with a very big share price and they're willing to buy us, well, fine. So, I mean that really is the answer for that is that we don't plan to be a 50 percent owner going to development of this. We plan to either sell down and use something like a 20 percent share as a core to go forward or if somebody buys us. So, I think that answers the question. But, going in at a 50 percent share looks like the way that we will go.

Second question: *What existing obstacles must be addressed for the drill ship to begin moving to Fatala?*

It's sitting in the Ivory Coast now. And there are a couple of personnel things. We have to have visas in Guinea for all the personnel that are going to work there, which is a logistical exercise that we're going to be starting in the next two or three weeks. Certain things are being done on the rig to get ready.

And we'll just see how much of that can be done in Abidjan before it's moved to Guinea, but it will be moved to Guinea in time to meet the government requirements of it being there before May 30. And at that point in time, the rest of the mobilization will happen in order to get the well spudded as soon as possible. You know, everything can be done. It's just a question of how many boats can you get that can take all the equipment there.

The good thing is that the deepwater industry is so depressed right now that everything you need is out there ready to get at prices that you can negotiate down. That was one of our problems in 2011 is that the industry was running at 80, 90, 95 percent capacity, and we had to fight to get any suppliers to even look at us. And right now they're in line saying, "Use us, use us." So, this is entirely doable.

The next question was: *When will private placement shares be registered?*

I'd like to ask Sergey to summarize the two financing options we have and the timing. Sergey, that microphone is on if you want to use that.

Mr. Sergey Alexeev: Yeah, thank you. Thank you for the question for this meeting.

We are planning to submit documents for the S-1 registration -- currently open for another week probably -- for the convertible preferred placement by the end of April at the latest, but most likely it will be done by seven days before the end of April. And we don't expect any major comments from the Securities & Exchange Commission. So, we're very much hopeful that the shares will become eligible for conversion into shares and trading by the end of May. That's the current plan. That is much earlier than currently provided formally by the documentation on the offering.

I would like to quickly add to that that we approached the market yesterday and started marketing the new issue that is straight equity in the range of \$15-\$18 million. And we'll be trying to submit the registration for that issuance as soon as the convertible is registered, which will be also end of May or beginning of June.

Mr. Ray Leonard: Okay. As Sergey mentioned, we've started marketing as of yesterday. And one of the reasons I put the \$6 million up is the day we got a commitment of \$4 million from an industry player. We can't indicate the name of that player at their request until we are at a stage of late registration, but we've gotten immediate positive response, and we're confident that we'll move forward.

Again, it's important to mention this is exploration. There is no certainty in this. And we have done our best to reduce the risks. We've gone through every geophysical exercise imaginable, and we feel more and more confident about it, but it is exploration. And so, I have personally put a lot of my money in it. More than my wife wanted me to, but I truly believe in this play, and I believe if I wasn't putting money in my play then an investor would scratch their head and say, "Why would we?" I've put money in it. Sergey has put a lot of money into. And we truly believe in it. It is risky. And appreciate the people who followed us. And we will put every effort into making it a success over the next two or three months.

Avery asked: *Whether eSeis is really another one of the projects?*

I said that they had done an analysis of the Bamboo and Oasis prospect. The Bamboo looks a lot like Fatala. And if Fatala comes in as expected, then we really see Bamboo as the next well rather than Buried Hill. It's a bigger prospect, and we think its chance of success will be much higher. Oasis did not have the positive indicators that we saw on Fatala and Bamboo. So, I think if Netherland, Sewell is to go over the eSeis study of Oasis it would reduce the chance of success, and we don't see that as a prospect that we want to drill now.

So, I think that was the answer. We had done it on another prospect, and that prospect was downgraded. I've shown it. The presentation is on the website not -- you will see it.

Unidentified Man: You mentioned that the Guinea contract said we need to spud by the end of May with the extension, but then you were saying that you wouldn't actually spud until June. Was that's going to do to the contract?

Mr. Ray Leonard: Drilling operations need to have started, which means the rig has to be on location. It doesn't have to spud by May 30. We need to have the rig on location. I'm sorry if I was unclear on that.

We want to spud as soon as we can, because we have until September 22 for the exploration and concessions. So, the sooner we spud the more time we have for follow-up wells. So, we're pushing to get that done as quickly as possible.

Unidentified Man: I'm having trouble following the path from 50 million to 11 million. The 50 million total cost, how does that work down to where your remaining fundraising is \$11 million?

Mr. Ray Leonard: Twenty-five plus six plus eight is 39.

Unidentified Man: Thank you. Let's assume, and I'm an optimist, too, as you know, you make a big well and begin production, how do you plan to deliver the crude either by ship or by pipeline? Or, can you explain that?

Mr. Ray Leonard: Three points here. First of all, the process is once you get a (successful) exploration well, you then go to the government and apply for an appraisal license, and you have two years for the appraisal license. And during that time you're probably going to come back and do a test of the well, and you're going to drill two or three other wells to determine the commerciality. And at the end of that two years if all goes well you then give the government a proposal for commercial development. And that development plan is going to take a few years. So, you're probably looking at around 2021 before that starts. 2021 is pretty fast for an ultra deepwater well.

Now, Guinea itself uses only about 10,000 barrels a day, the whole country that's it. So, they don't need a whole lot of oil. And so, this is going to be exported. In our contract we have full export rights. The development program like we will have is a floating production system, which means that the oil will be loaded by tanker and then just sent out to market. You know, whether Hyperdynamics will still be around at that time or whether somebody will have bought us out, who knows.

Unidentified Man: You have clarity on it? You said 25 plus eight, plus six is 39, right? But, doesn't that account for making up the eight twice?

Mr. Ray Leonard: No.

Unidentified Man: Because, the eight half of that's coming back. You can't--so you don't get 25 credit for SAPETRO--.

Mr. Ray Leonard: --What--you know, in the contract with SAPETRO, which was actually put on the website, the Farmout Agreement, what they're going to do when we finish the closing is pay us for half of the money that we have spent. That hasn't happened yet because you have to have the government--the presidential decree and everything, but at that point in time let's just say you still have \$42 million to spend. SAPETRO will pay \$21 million. We'll pay \$21 million. But, SAPETRO will also pay us 50 percent of our cost to date. So, we're going to get a check for \$4 million. And then, they're going to pay \$21 million out of the \$42 million left. So, their total exposure is going to be \$25 million out of the \$50 million.

Unidentified Man: It's \$21 million--.

Mr. Ray Leonard: --Yes--.

Unidentified Man: --Plus the \$4 million you got from them--.

Mr. Ray Leonard: --Yes--.

Unidentified Man: --Plus \$6 million--.

Mr. Ray Leonard: --Yes.

Unidentified Man: So, that's \$31 million.

Mr. Ray Leonard: --\$31 million plus \$4 million we've already spent. We've already spent \$8 million. So, that's \$42 million--.

Unidentified Man: --So, you're down to \$21 million, and you're getting \$4 million from them, which takes you down to \$17 million--.

Mr. Ray Leonard: --And then we have \$6 million--.

Unidentified Man: --Okay, now I get it.

Unidentified Man: On the subsequent wells you're assuming that somebody will come in and buy your--or put up for investing in the wells, right? So, all the money would have--would be perspective to the success, right? There's no money to go forward after that, right?

Mr. Ray Leonard: At this point in time if you make a success in Fatala and you want to continue to drill further, we will need to raise the money for those wells. Yeah, that's correct. And we'll have to move very quickly.

Unidentified Man: So, if it's not a success there is no money to do a second well?

Mr. Ray Leonard: No. And raising it would be a lot more difficult. No, this is our shot. I mean, I'm not holding back on that. This is our shot. It's a really good shot, but this is our shot.

Unidentified Man: One more question, Ray, on the numbers. You said that when you opened the new offering yesterday you had a \$4 million commitment.

Mr. Ray Leonard: Yes.

Unidentified Man: Is that included in the six?

Mr. Ray Leonard: Yes. I would love to say there was another four million but that's included.

Mr. Sergey Alexeev: [Unintelligible...text to come.]

So, basically you may say that, “Yes, we have a commitment,” yes, but on top of that looking at how currently convertible is being closed and the senses from the market and the demand our sort of effort in raising money is somewhat easier, because we’re pretty confident that the second tranche upon the registration becomes effective in the range of \$3-\$4.5 million would be a little easier to complete.

Mr. Ray Leonard: I’m being conservative. It’s better to be conservative because the lawyers always check what the CEO says. I’m not disparaging. They have their place. We have no lawsuits outstanding right now. And, Paolo, if you will stand up and take a bow because he deserves one.

Unidentified Man: Right, assuming Fatala well is successful, that’ll give you the opportunity to raise cash for the second well, which is going to be Bamboo.

Mr. Ray Leonard: Yes.

Unidentified Man: How much money are you going to need to drill Bamboo? And how much time, and at what period of time do you see you doing that?

Mr. Ray Leonard: One big advantage with the second well is that a lot of costs that have been incurred for the Fatala well are really costs for drilling in Guinea. Like setting up a shore base and putting a number of things on the rig for the drilling unit, etc., that’s probably worth about \$10 million. So, your second well is likely to be something on the order of \$40 million instead of \$50 million.

So, if you’re a 50 percent holder that means you probably need about \$20 million. And one advantage that you do have is your share price is going to be a lot higher after a first well success. So, raising that \$20 million will be a lot less dilutive than raising the last \$11 million. You’re going to have probably about a week or two to do it. So, what we’re going to have to do is get everything in place.

Mr. Sergey Alexeev: It’s going to work technically the same way it works now with the convertible, which, again, will be technically outstanding before the first tranche is finally closed for a week or 10 days. And then, there will be multiple closings on the straight equity deal, where we will raise the major money for Fatala. And that will be outstanding, again, for another maybe 10 days to two weeks, during which we’ll be able to raise further funds for the subsequent well counting on Fatal’s success. Technically it’s the same process.

Unidentified Man: Just the investor that you indicated for \$4 million, will they have interest in the second well in terms of funding it, do you know?

Mr. Ray Leonard: I can’t speak for that strategic investor. That’s their decision, and they would probably be very upset if I tried to speak for them.

Unidentified Man: Can you explain the current offering? It sounds like if we don't take additional shares with our current offer you've already got somebody who wants them.

Mr. Sergey Alexeev: Can you rephrase the question, please?

Unidentified Man: Okay, the placement shares currently outstanding with the one that's closing out of the first tranche, it comes back available for us to participate again, I understand from your previous comment that it sounds like somebody will take them if we don't.

Mr. Sergey Alexeev: Well, the terms of current offering in which those will participate in clearly state that those who participated in the current loan outstanding and being closed first tranche had an option of full round participation in the second tranche. In case let's say someone does not participate--and you have the right to participate in it on a first priority basis -- in case someone does not want to participate, that participation right evenly is distributed between those who do want to participate. And only the portion which is not taken by any of the current participants will be offered to some other participants on the market.

Does that answer your question? And, again, the new offering, which we just covered, has--actually the current offering has provisions that in case the new offering that went up in the market now has the terms which somehow worsen the terms of the--of current participants in the convertible offering those terms will be adjusted.

Unidentified Man: If we hit with Fatala the likelihood of another extension from Guinea seems to me would be--.

Mr. Ray Leonard: Zero. If we make a discovery we can get a 500 square kilometer block, which could include more than one prospect. If we make a second discovery, we can get another 500 square kilometer block, which, again, could have several prospects. But, if we make a discovery, what Guinea wants to do more than anything else is have a tender round and bring in the big players. And with a discovery they very possibly could get bonuses and big work programs and things.

So, the last thing they would do if we had a discovery would be give us an extension. The world is the way the world is. But, under the terms of the contract we can get one or possibly two of these 500 square kilometer blocks, which would give us some additional prospects and additional time. Right.

Hey, well, thank you very much for your attention. And, hopefully, I've brought you all up to date on exactly where we are and exactly what we're going to do. So, thank you very much.

[end]