



September 15, 2016

Hyperdynamics and the Republic of Guinea Agree to a One Year Extension to the Production Sharing Contract

HOUSTON, Sept. 15, 2016 /PRNewswire/ -- Hyperdynamics Corporation (OTCQX:HDYN) today announced that its wholly owned subsidiary, SCS Corporation Ltd. ("SCS"), and the Government of the Republic of Guinea have executed a Second Amendment to the 2006 Production Sharing Contract ("PSC"). The document was signed by the Director General of the National Petroleum Office, Diakara Koulibaly and Ray Leonard, Hyperdynamics' President and Chief Executive Officer.

The Second Amendment will be effective on the date it is approved by Decree of the President of the Republic of Guinea. The Second Amendment was entered into in accordance with the August 2016 Memorandum of Understanding ("MOU") between SCS and the Republic of Guinea and formally extends the PSC to September 22, 2017 and confirms that SCS is the 100% interest holder and the Operator in the Concession.

In addition clarifying certain elements of the PSC, the Second Amendment includes the following terms:

- | Hyperdynamics will retain an area equivalent to approximately 5000 square kilometers in the Guinea offshore and during the one year extension period will drill one (1) exploratory well with a projected commencement date of April 2017 with additional wells optional.
- | Hyperdynamics will provide a parent company guarantee for the well obligation, monthly progress reports, and a reconciliation of budget to actual expenditures to the National Petroleum Office ("NPO"). Failure to provide these reports and assurances on a timely basis may result in a notice of termination with a 30 day period to cure.
- | Hyperdynamics will further guarantee to Guinea that (1) no later than January 21, 2017 it will provide a mutually acceptable security for \$5,000,000 on terms customary in international petroleum operations, provided that this security is to be released at the time the drilling rig for the Extension Well is on location offshore Guinea, and (2) no later than April 12, 2017, Hyperdynamics will deliver a mutually acceptable security for the difference between \$46,000,000 and the amount spent to date on the Extension Well. For the purposes of calculation for this clause, however, only cost spent for services and goods provided in Guinea shall be taken into account until the drilling rig to be used in the drilling of the Extension Well is located in the territorial waters of the Republic of Guinea. If Hyperdynamics does not provide either security by the specified dates, the Government of Guinea may terminate the PSC immediately and without prior notice to remedy such deficiency.
- | By January 31, 2017 Hyperdynamics will move into the territory of Guinea the long lead items it received in its settlement with Tullow and Dana that are currently in Takoradi, Ghana for the drilling of the exploration well.
- | If the exploratory the well is not drilled within the one (1) year extension period, Hyperdynamics will owe the Government of Guinea the difference between the actual expenditures in Guinea related to the well and \$46,000,000.
- | Hyperdynamics will allocate and administer a training budget during the extension period for the benefit of the NPO of \$250,000 in addition to any unused portion of the training program under Article 10.3 of the PSC, estimated to be approximately \$500,000.
- | The cost recovery pool to date is limited to Hyperdynamics' share of expenditures in the PSC since 2009, estimated to be approximately \$150,000,000.

Mr. Leonard stated, "I am pleased with the Government of Guinea's continued support of Hyperdynamics and look forward to the opportunity to drill the Fatala well in the near future. Our efforts now shift to taking the operational steps in preparation for the drilling and in raising the required funds and/or teaming up with a partner in order to comply with the terms of the PSC Amendment."

About Hyperdynamics

Hyperdynamics is an emerging independent oil and gas exploration company that is exploring for oil and gas offshore the Republic of Guinea in West Africa. To find out more, visit our website at www.hyperdynamics.com.

Forward Looking Statements

This news release and the Company's website referenced in this news release contain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of

1934, as amended, regarding Hyperdynamics Corporation's future plans and expected performance that are based on assumptions the Company believes to be reasonable. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "estimates", "plans", "may increase", "may result", "will result", "may fluctuate" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. A number of risks and uncertainties could cause actual results to differ materially from these statements, including without limitation, funding and exploration efforts, fluctuations in oil and gas prices and other risk factors described from time to time in the Company's reports filed with the Securities and Exchange Commission, including the Company's Reports on Form 10-K for the fiscal year ended Jun 30, 2015 and Form 10-Q for the fiscal quarter ended March 31, 2016. The Company undertakes no obligation to publicly update these forward looking statements to reflect events or circumstances that occur after the issuance of this news release or to reflect any change in the Company's expectations with respect to these forward looking statements.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/hyperdynamics-and-the-republic-of-guinea-agree-to-a-one-year-extension-to-the-production-sharing-contract-300328800.html>

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