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13 July 2015

The Manager, Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

JUNE 2015 QUARTERLY REPORT PRESENTATION

Please find attached the Company's June 2015 quarterly report presentation.

Yours faithfully,

Michael Sheridan
Chief Financial Officer / Company Secretary

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HORIZON OIL LIMITED

ABN 51009799455

2014/15 June quarter results presentation and activities update - July 2015

This presentation contains some references to forward looking assumptions, representations, estimates and outcomes. These are uncertain by the nature of the business and no assurance can be given by Horizon Oil Limited that its expectations, estimates and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

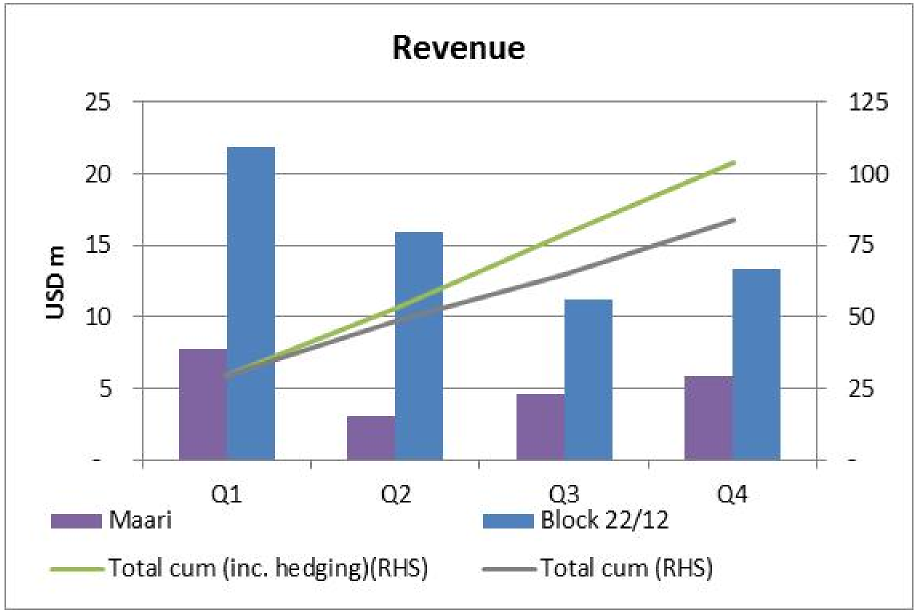
2014/15 June quarter results summary

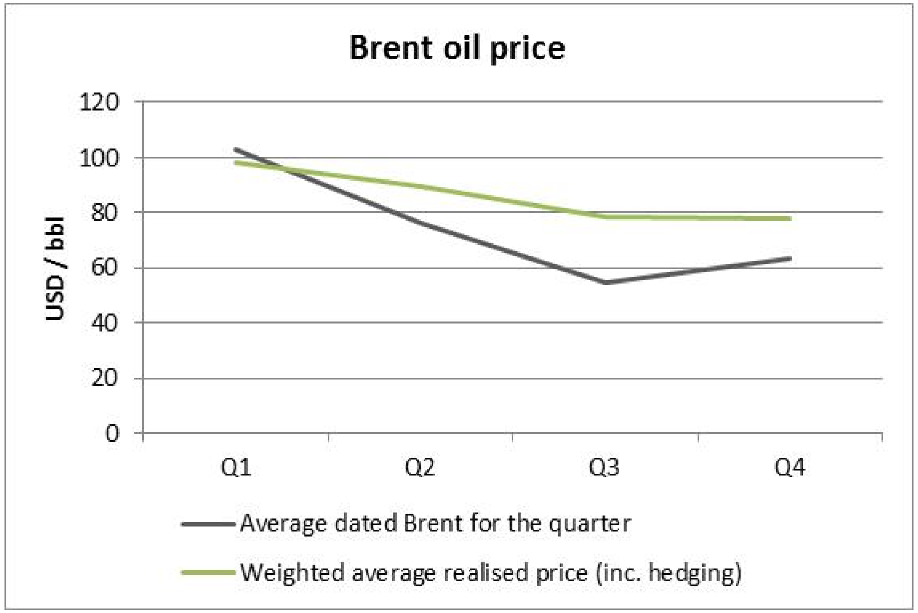
	June quarter	Annual
Production	0.37 million bbls	1.31 million bbls
Sales	0.32 million bbls	1.21 million bbls
Average realised price/bbl	US$78.00	US$85.59
Revenue	US$25.1 million	US$104.0 million
Operating cost/bbl	US$9.99/bbl	US$17.36/bbl[1]
Net operating income (excl amortisation)	US$21.4 million	US$81.2 million
Cash on hand 30/6/15	US$61.3m	US$61.3million
Capex (E&D)	US$9.8 million	US$82.7 million
Forecast capex to 30/6/2016		~US$33 million

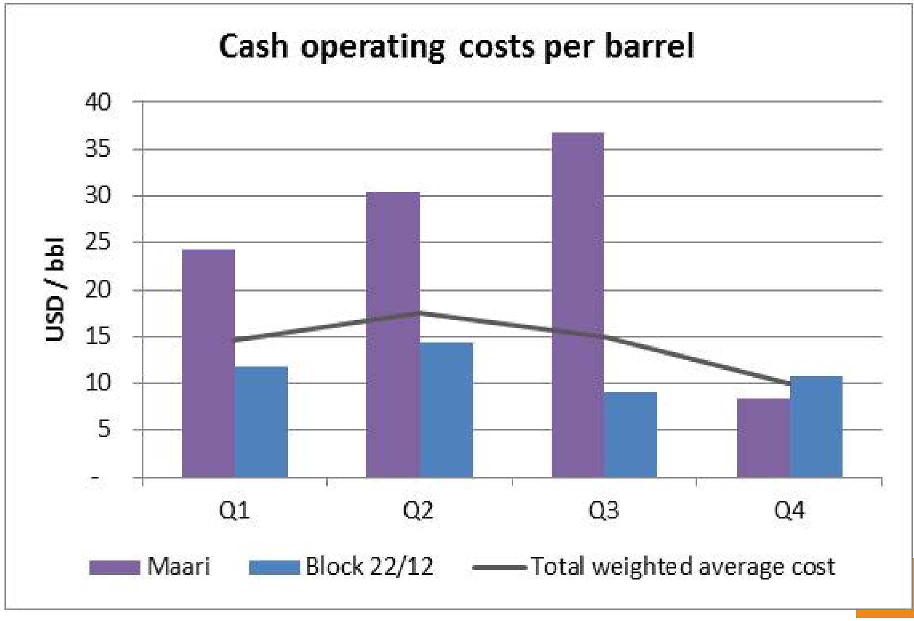
1. Includes China Special Oil Gain Levy ; if adjusted to exclude China Special Oil Gain Levy , annual operating cost/bbl is US$14.10

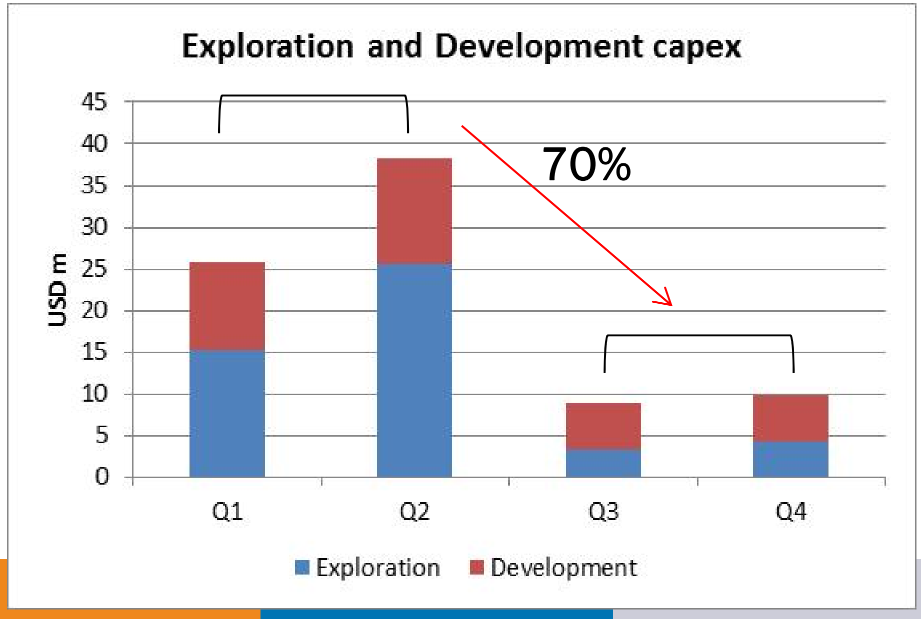
The foregoing results include information yet to be audited. Forecast expenditure is based on approved joint venture budgets and Horizon Oil's best estimates

Highlights for financial year ending June 2015





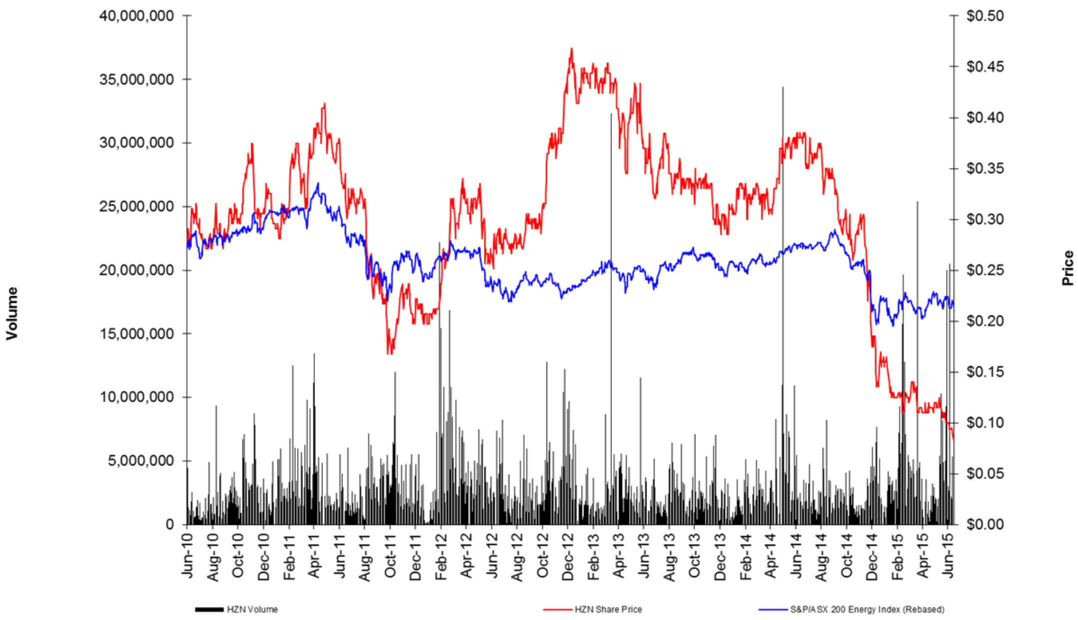


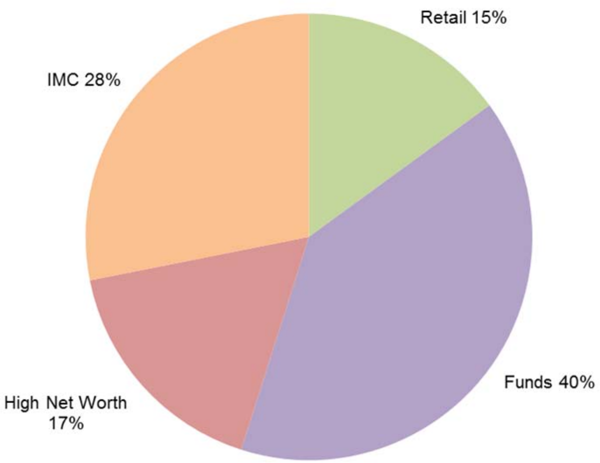


Horizon Oil (HZN:AU) at a glance

- Sydney-based public company listed on Australian Securities Exchange and in ASX 300 Index
- Portfolio of exploration, development and producing assets in Asia-Pacific region
- Shareholding: IMC (Singapore) - 28%, institutions - 40%, high net worth - 17%, retail investors - 15%
- Current net production approximately 4,400 bopd, cash operating cost of US$17.36/barrel (annual volume weighted average)
- Operating income after opex: CY 2014 actual - US$91m
CY 2015 estimate - US$82m at US$60/bbl average oil price
- 2P reserves and contingent resources of 101 million barrels of oil equivalent (mmboe)
- Prospective resources of 51 mmboe best estimate
- Block 22/12 - cost recovery oil entitlement US$98m
- Receivable of US$130m from Osaka Gas, payable on FID of LNG project in PNG
- At 30 June 2015:-
  - Cash on hand — US$61.3m
  - Drawdown on US$120m debt facility — US$120.0m
  - Convertible bond (listed on SGX) — US$80.0m (matures June 2016, unless converted prior)
  - Net debt — US$138.7m — 1.7 x 2014A EBITDA
1.8 x 2015E EBITDA

Shareholder distribution and trading statistics





1,302m shares

June 2015 (to date)	
Last	$0.083
High	$0.390
Low	$0.083
Volume	49,734,456

12 Months	
Last	$0.083
High	$0.390
Low	$0.083
Volume	787.29m
Fully paid shares	1,302m
Partly paid shares	1.50m[1]
Employee options	11.44m[2]
General options	3.5m
Share appreciation rights	38.68m[3]
Convertible bonds	400[4]
No. of shareholders	5,800
Market capitalisation	$108m
Top 20 / Issued Capital	74.1%

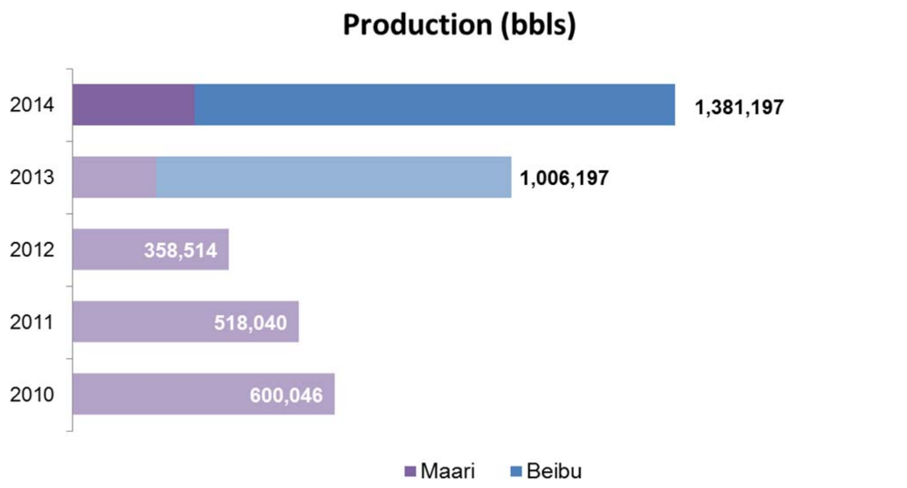
[1]Issued in accordance w ith employee incentive schemes

[2]Options - issue price ranging from $0.27 - $0.44

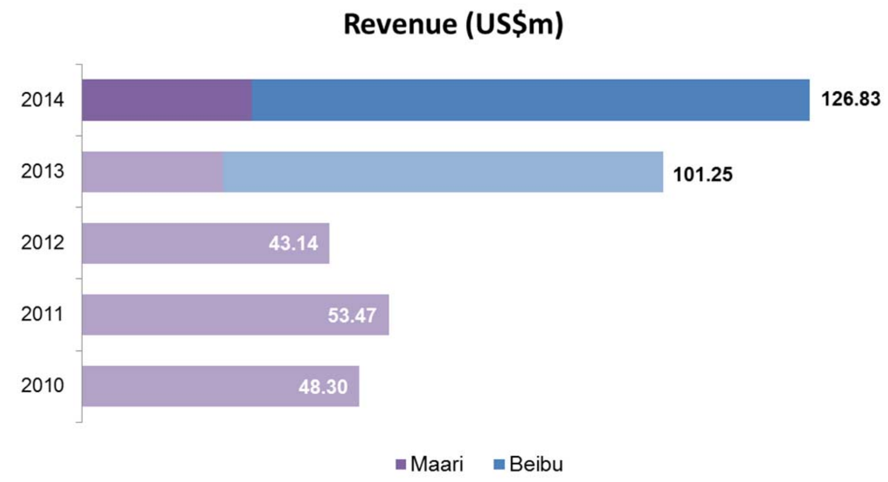
[3]Share price equivalence of SARS - $0.30. 3 million SARS subject to shareholder approval

[4]Convertible to 488.998 ordinary shares per bond at the adjusted conversion price of $0.409

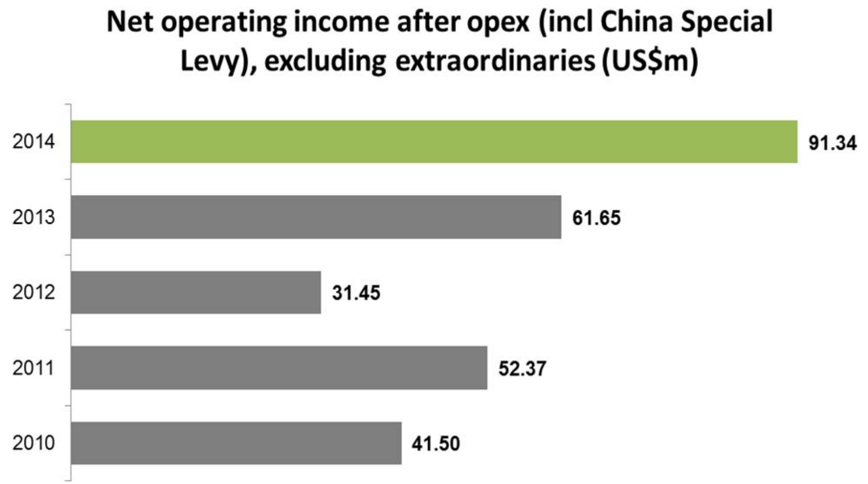
Key performance measures – last five calendar years



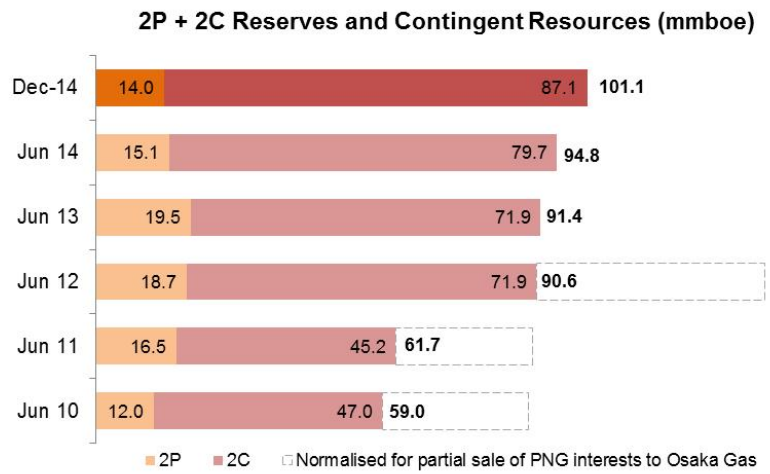
Completion of Maari Growth Projects expected to increase production in 2015. Production from Beibu Gulf will be maintained through 2015, despite field decline, due to increased share of production through cost recovery



Revenue will maintain in 2015 even with lower oil prices, because of the benefit of oil price hedging



Operating income will maintain because of oil price hedging.
Cash cost in Q4 2014 US$20.78/barrel.



Reserves for each year end are adjusted to account for the prior years production.

Asset portfolio

*** PRL 4:** Subject to Government approval

- Clear geographic focus on Asia-Pacific region
- Technical focus on proven, conventional plays with scale, upside and manageable risk
- Working with experienced partners such as CNOOC, OMV, Mitsubishi and Osaka Gas
- Currently producing oil but will have a diversified oil and gas production base in the future
- Potential exists for large gas export project into Asian market

Horizon Oil assets – fiscal regimes

25% Government Take (oil) ⟷ 100% Government Take (oil)

Very Favourable	Favourable	Average	Tough	Very Tough
Spain	Croatia	Denmark	Nigeria	Qatar
Ireland	Philippines	Cote d`Ivoire	Suriname	Indonesia
French Guiana	Equatorial Guinea	Cameroon	Norway	Malta
Peru	Iceland	Mauritania	Venezuela	Oman
New Zealand	UK	Cambodia	Ghana	Egypt
Sri Lanka	Australia	Brunei	Malaysia	Vietnam
India	Papua New Guinea	China	Bangladesh	Tanzania
Argentina	Ukraine	Brazil	Angola	Bahrain
Kenya	Uruguay	Pakistan	Mexico	Algeria
Netherlands	Mozambique	Myanmar	Thailand	Iran

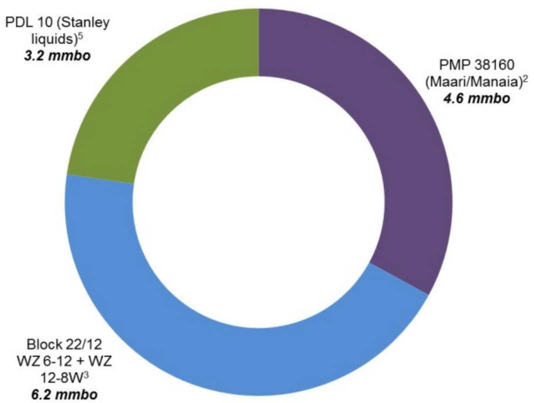
55% 65% 75% 85%

Govt Share % Pre Share NPV modelled on the following standard field assumptions : 10% Discount Rate, US$80/bbl Oil Price, Oil Product, Medium Size, Medium Cost, Shelf Environment

Source: Wood Mackenzie Fiscal Benchmarking Tool

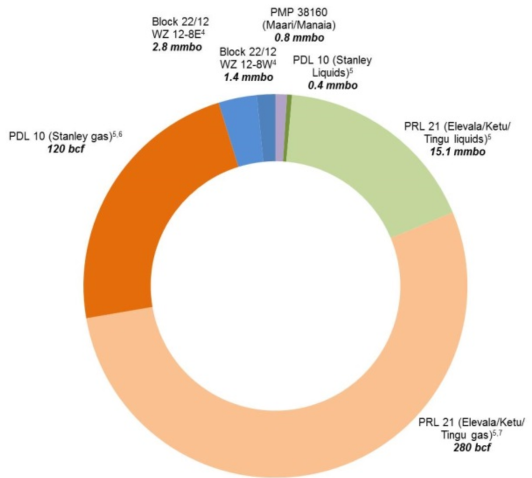
Net reserves[1], Contingent Resources[1] and Prospective Resources[1] as at 31 December 2014

RESERVES Proven + Probable



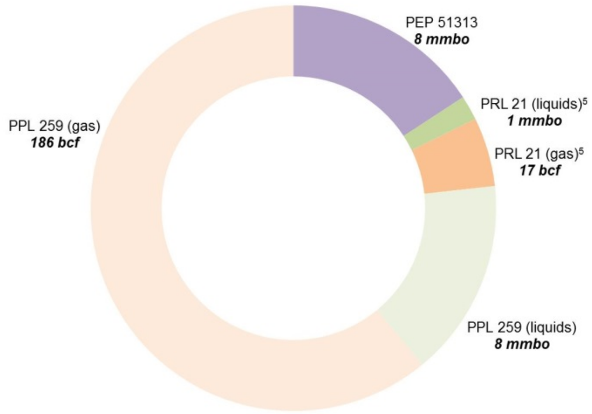
Total: 14.2 mmboe

CONTINGENT RESOURCES Proven + Probable



Total: 20.5 mmboe
400 bcf

PROSPECTIVE RESOURCES Best Estimate



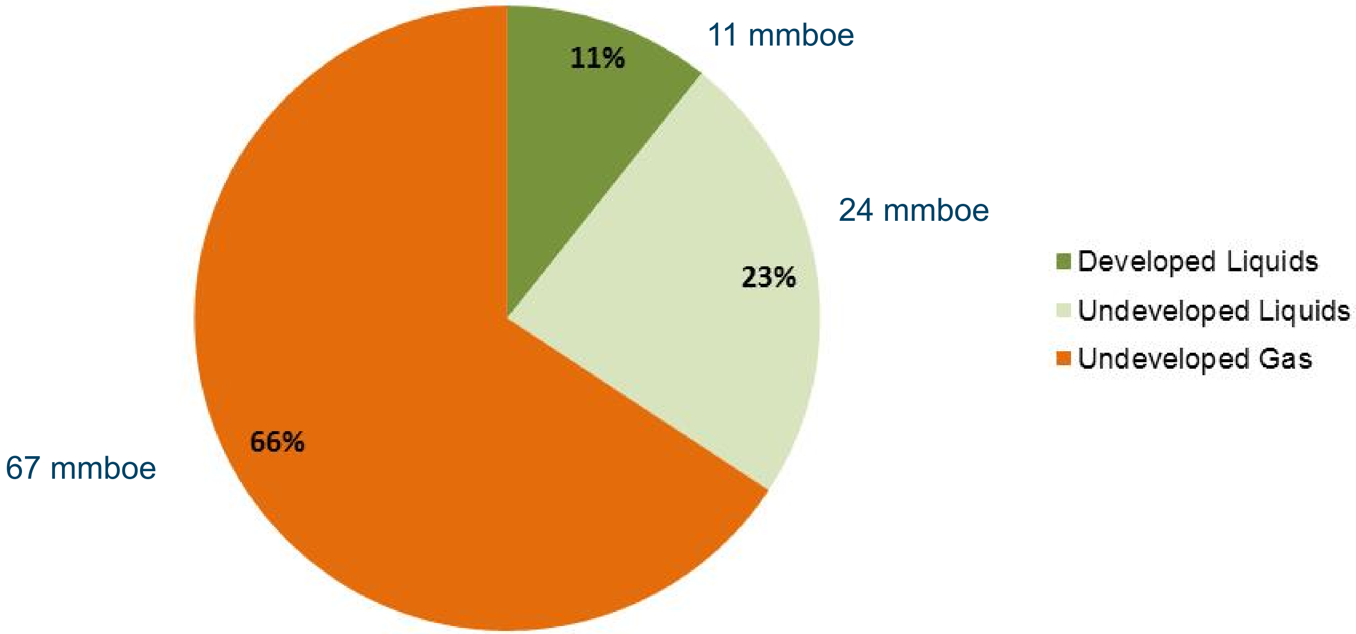
Total: 17 mmboe
202 bcf

- Long life of reserves and contingent resources – 101 mmboe (liquids 34% / gas 66%), estimated production for 30 years
- Prospective resources – 51 mmboe

[1] Estimated in accordance with SPE-PRMS standard; 6 bcf gas equals 1 boe; 1 bbl condensate equals 1 boe . As at 31 December 2014.
[2] Net of production of 25.2 mmboe gross through 31 December 2014
[3] Net of production of 7.1 mmboe gross through 31 December 2014
[4] Reduced to allow for CNOOC participation at 51%
[5] Subject to reduction to allow for PNG State Nominee participation at 22.5%
[6] Includes 2.6 mmbbl LPG (1 tonne LPG equals 11 bbl)
[7] Includes 8.5 mmbbl LPG

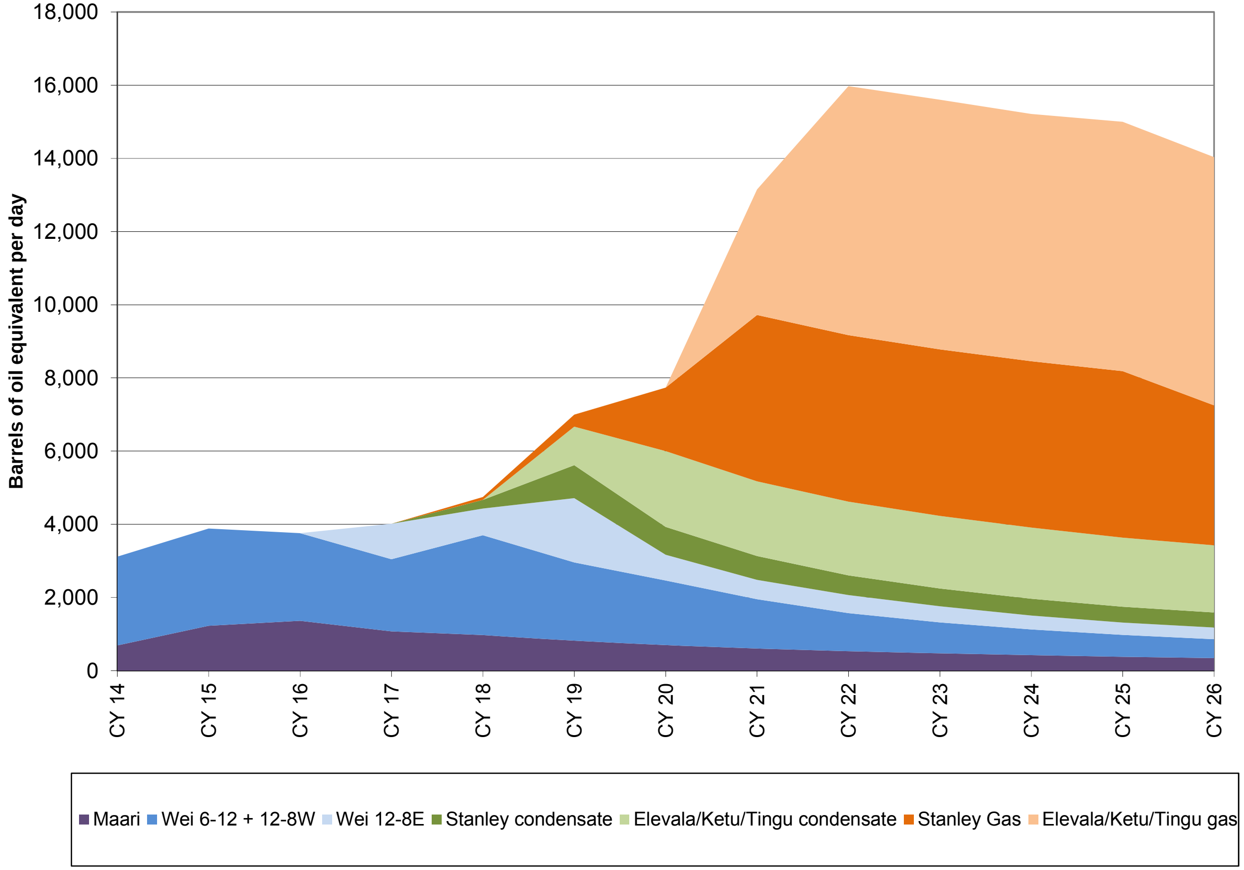
Balanced portfolio – focus on resource development

Large audited reserves and contingent resources base
11% developed / 89% undeveloped – 34% oil / 66% gas



2P + 2C reserves and contingent resources of **101 mmboe**

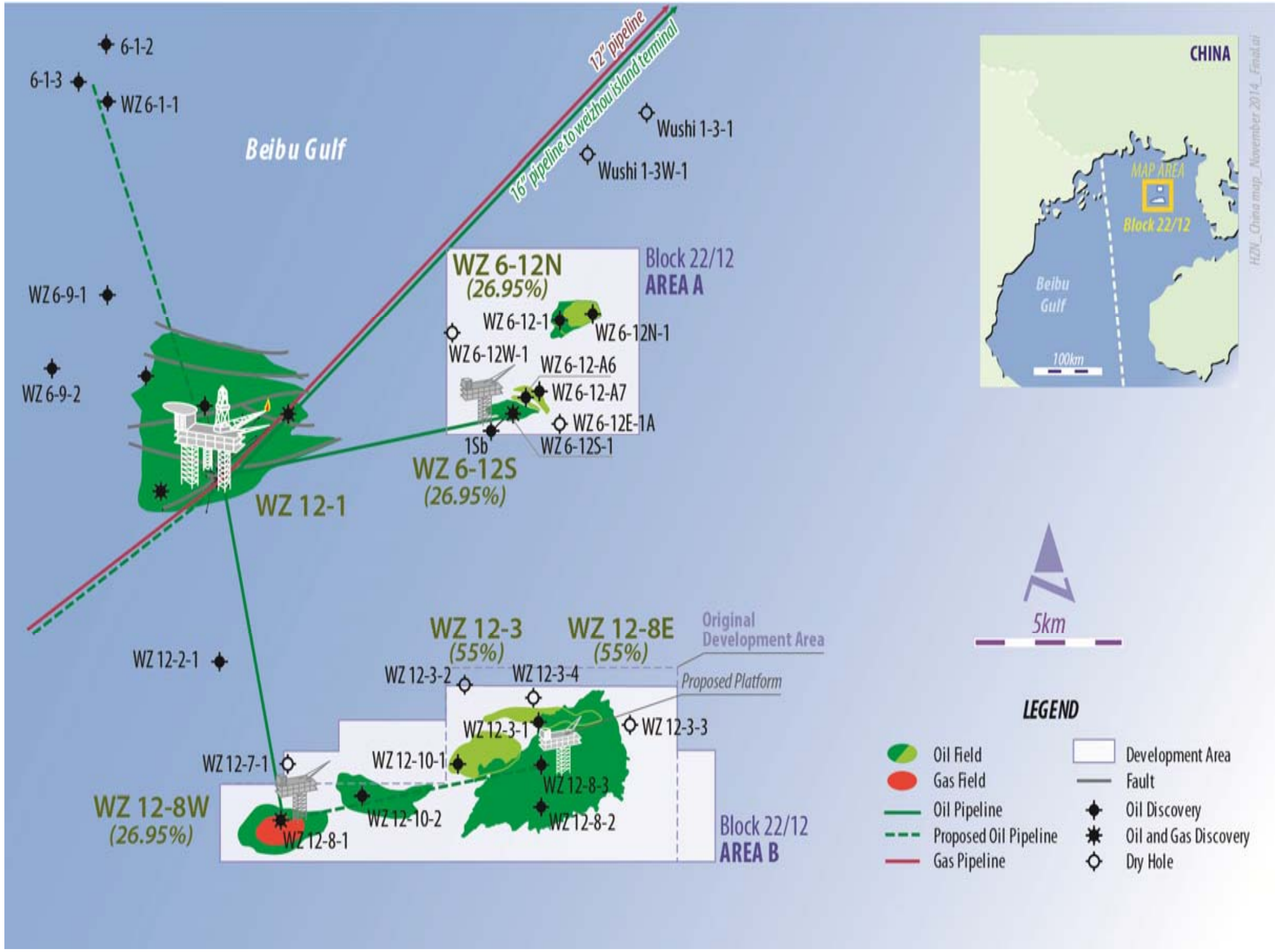
Forecast net production from Reserves + Contingent Resources as at 31 December 2014



- Expect to be able to maintain oil production of 4,000 – 6,000 bpd ahead of future large scale gas commercialisation
- PNG gas is major growth asset

Includes historical production prior to 31 December 2014
Based on proven and probable reserves and contingent resources, estimated in accordance with SPE-PRMS standard
Timing of new field production based on operator estimates

Beibu Gulf field production and future development areas – China



- WZ 6-12N and WZ 12-8W fields producing above forecast
- Potential for higher oil recovery from WZ 12-8W
- Phase II WZ 12-8E development plan to be submitted for Government approval by end 2015; audited gross 2C resources 10.5 mmbo
- Successful WZ 12-10-1 and WZ 12-10-2 exploration wells have added 7.1 mmbo gross recoverable oil (audited 2P+2C); appraisal and development planning initiated

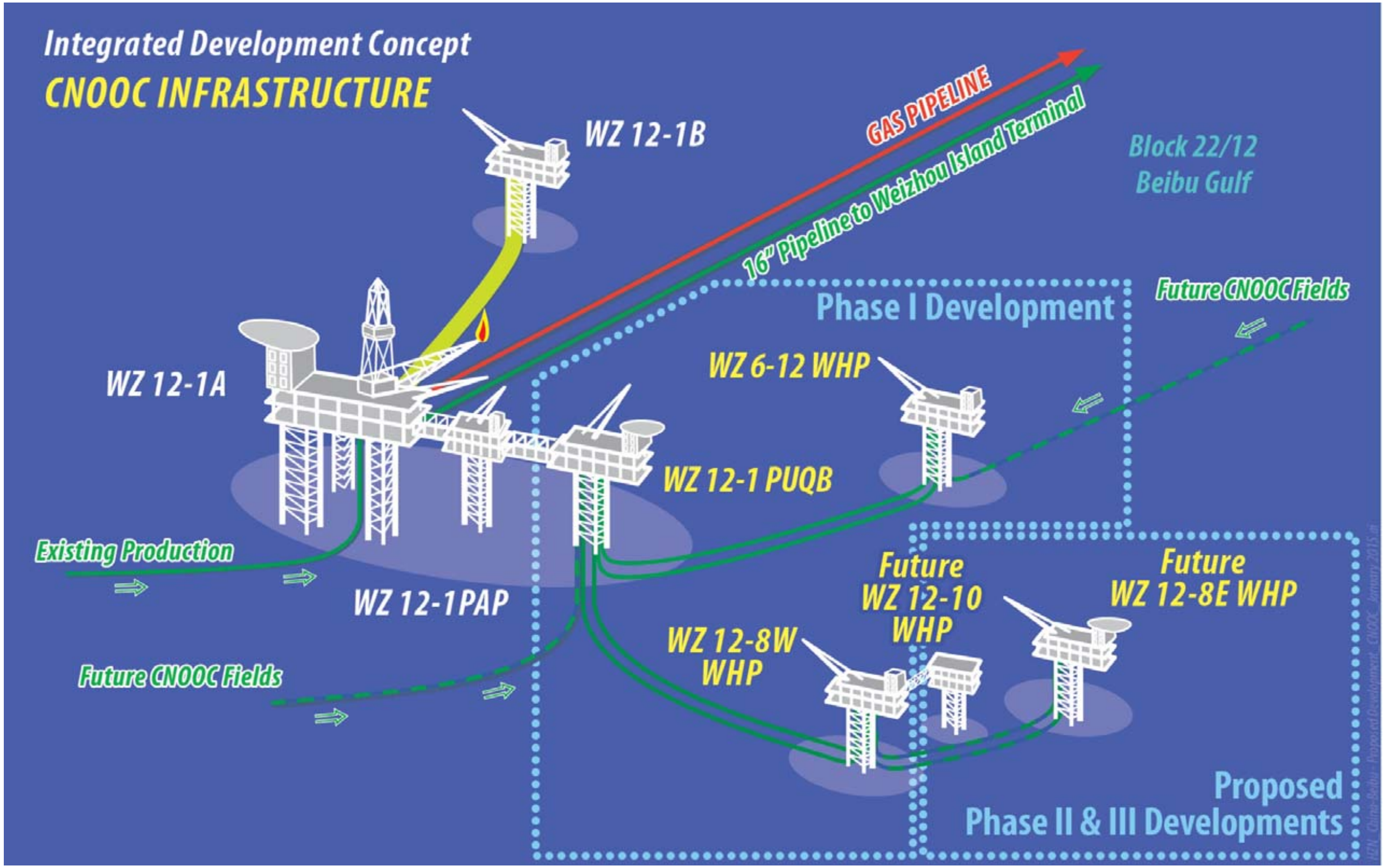
Block 22/12 Post-CNOOC Back-in:

HZN	26.95%
CNOOC	51.00% (Op)
ROC	19.60%
Majuko Corp	2.45%

Gross reserves (mmbo) at 31/12/14	2P
Produced	7.1
Remaining	20.4

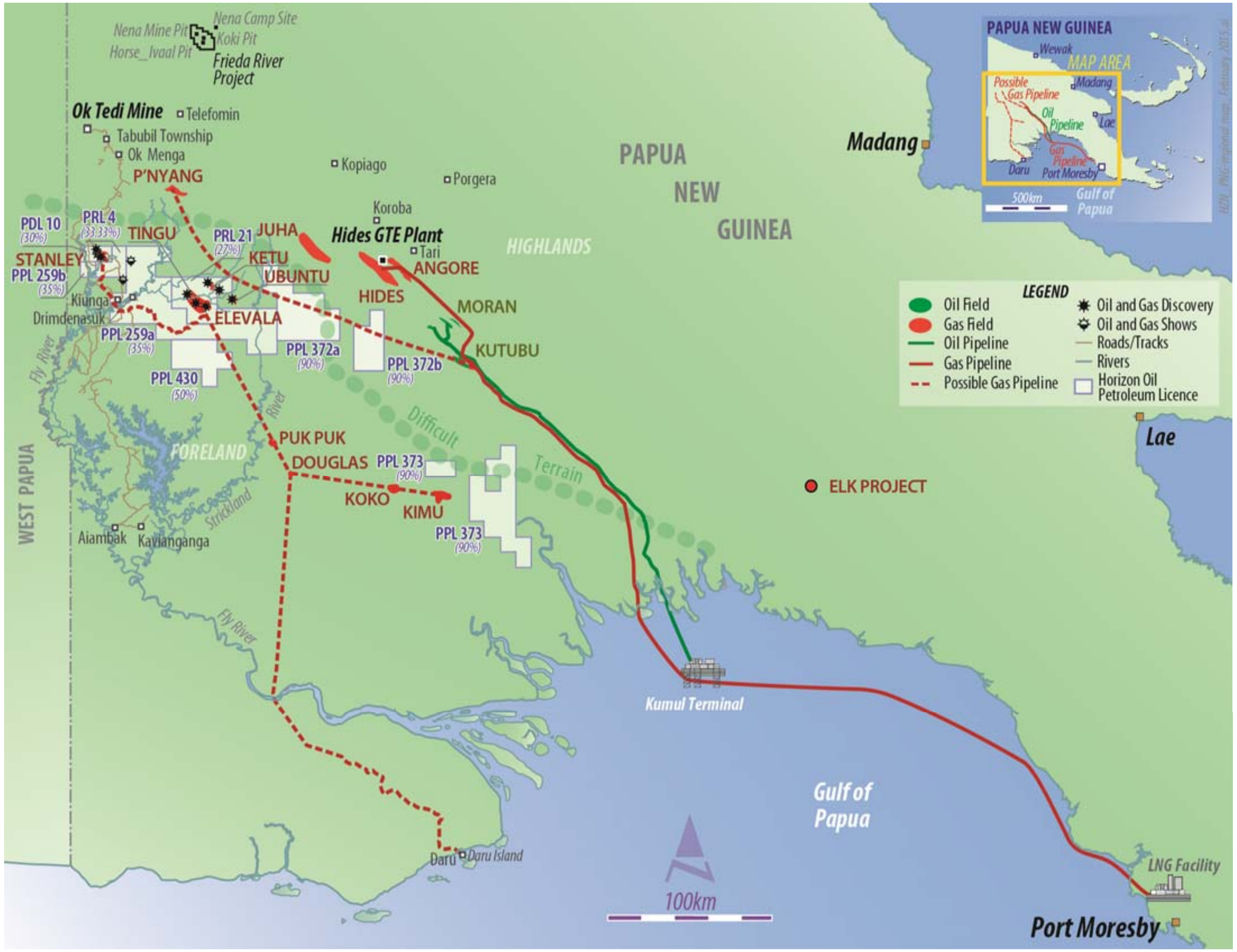
Horizon Oil

Beibu Gulf fields – phased development scheme



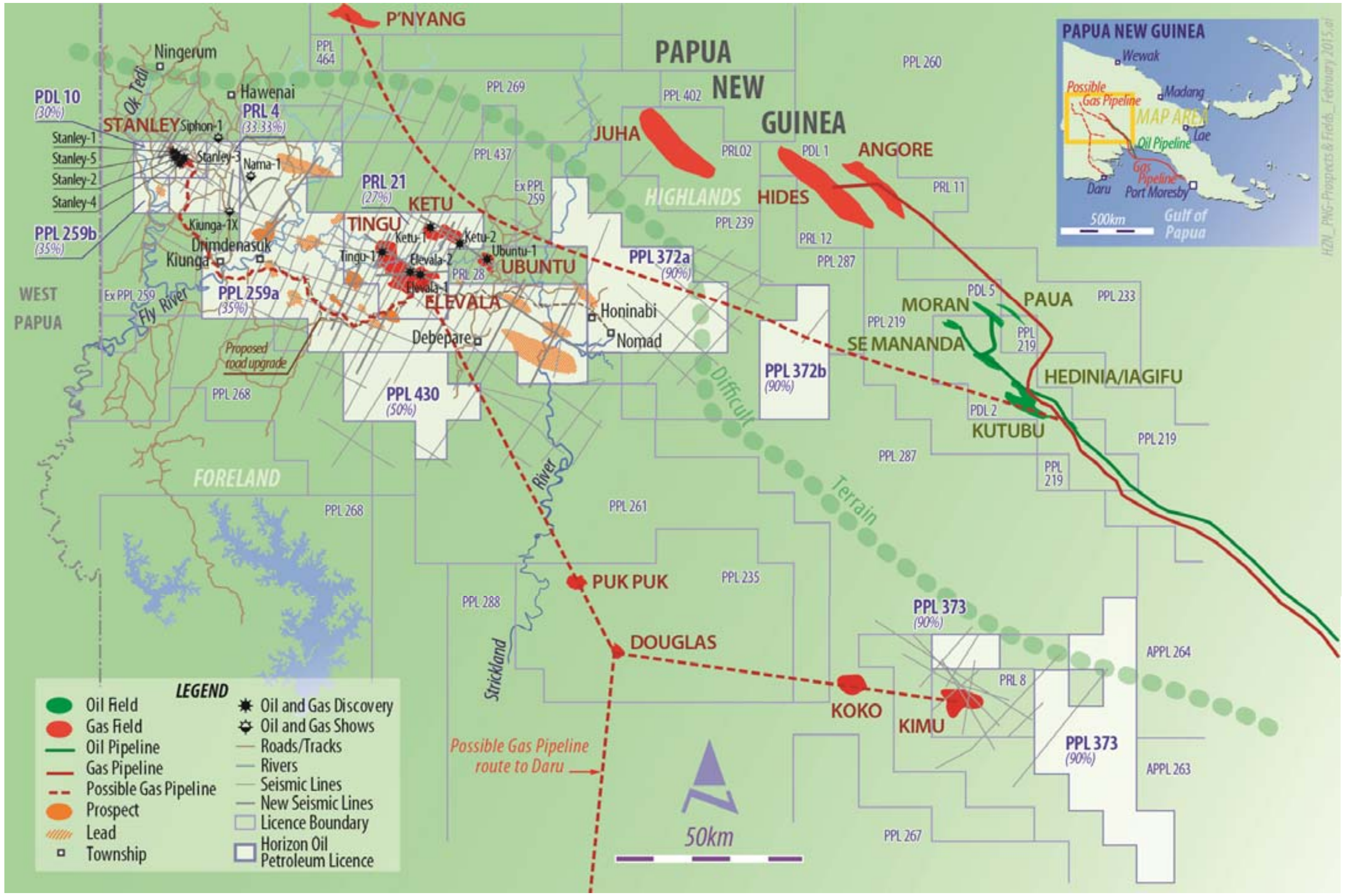
Phased approach to development of new reserves – utilising existing infrastructure

Papua New Guinea



- PNG is rich in oil, gas and minerals with track record of successful large-scale development projects
- Stable fiscal regime and succession of "pro-development" governments
- Jurisdiction well-supported by lenders
- Horizon Oil acreage position ~7,900 sq km in foreland terrain, primarily in wet gas "sweet spot"

Horizon Oil acreage and joint venture partners - Papua New Guinea



- Successful Tingu-1 exploration/appraisal well drilled in 2013 extended PRL 21 gas / condensate resources materially
- Development application for Elevala/Tingu/Ketu fields in PRL 21 filed in March 2014
- Development licence for Stanley field (PDL 10) issued by PNG Government in May 2014
- Encouraging signs for development of P'nyang field

PRL 21:	
HZN	27.0% (Op)
Osaka Gas	18.0%
Talisman	32.5%
Kina	15.0%
Mitsubishi	7.5%

PDL 10:	
HZN	30%
Osaka Gas	20%
Talisman	40%
Mitsubishi	10%

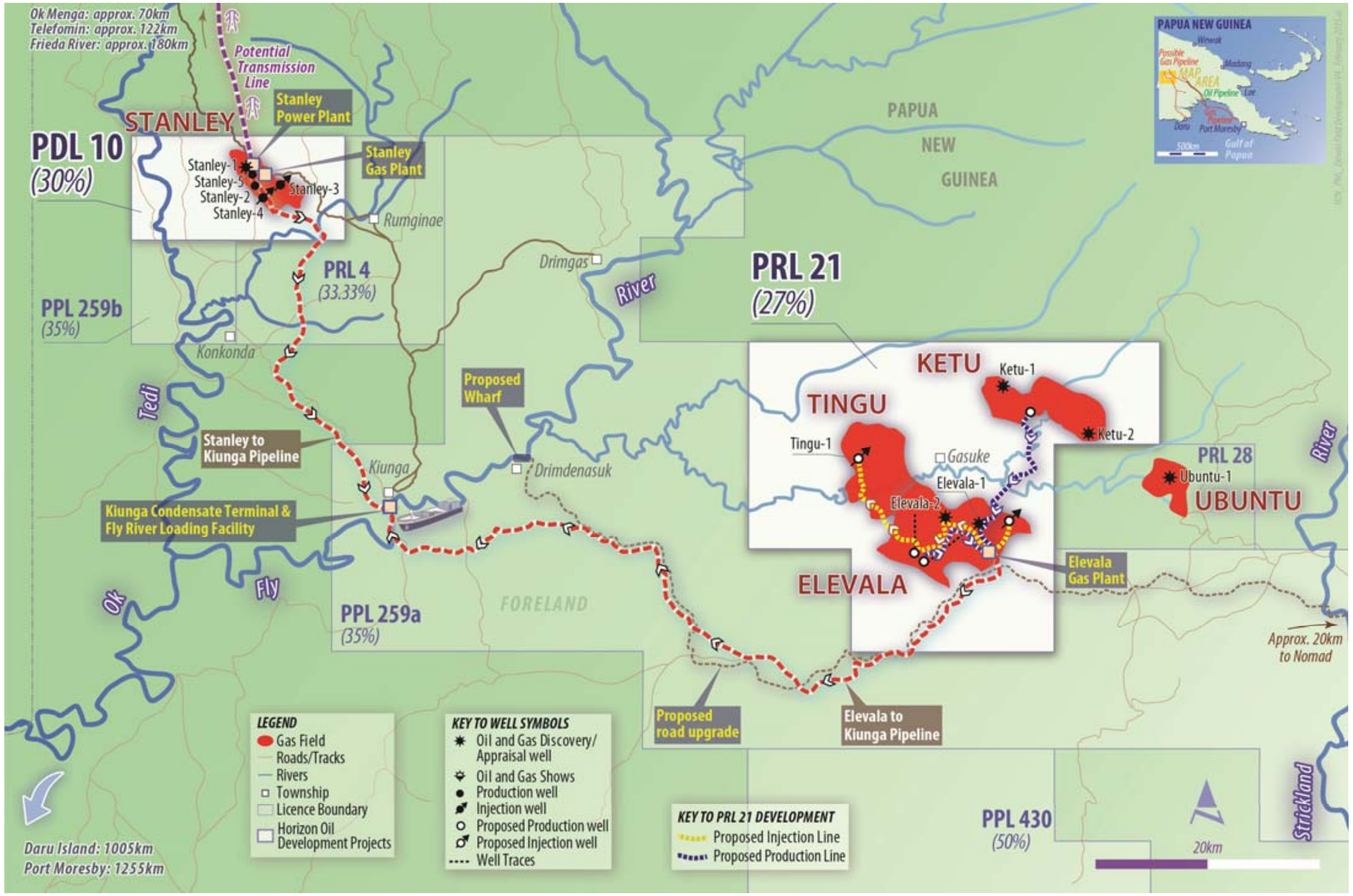
PRL 4 (subject to Govt approval):	
HZN	33.33%
Talisman	44.45%
Osaka Gas	22.22%

PPLs 372 and 373:	
HZN	90.0%

PPL 430:	
HZN	50.0%
Eaglewood	50.0%

PPL 259:	
HZN	35.0%
Osaka Gas	10.0%
Eaglewood	45.0%
P3GE	10.0%

Stanley and Elevala/Ketu field development schemes



- Stanley field Petroleum Development Licence awarded in May 2014
- Development drilling subsequently completed, both wells Stanley-3 and -5 met or exceeded expectations
- Elevala and Tingu to be developed as one field
- Elevala/Ketu Petroleum Development Licence application submitted in March 2014
- FEED underway

Horizon Oil

PNG gas commercialisation options

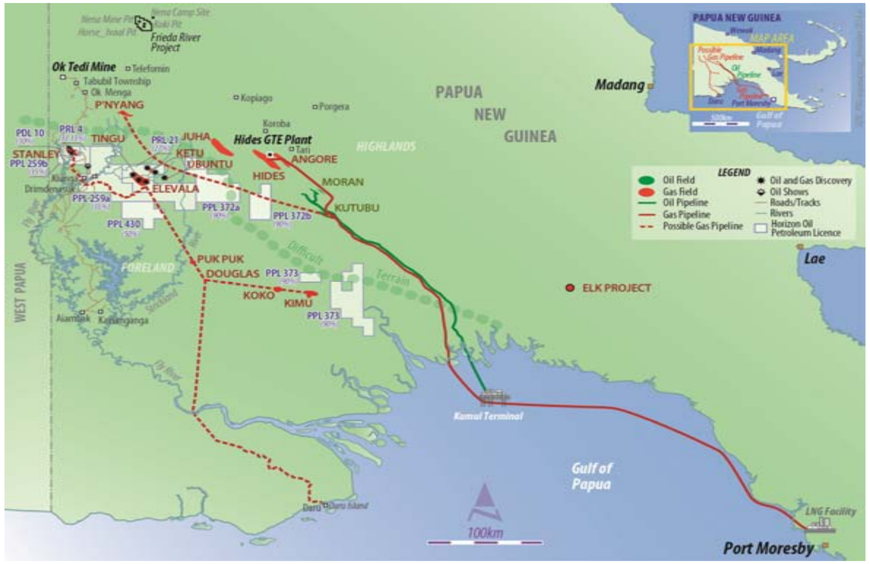
- **Sales to regional buyers for power generation**
  - Ok Tedi Mining Limited (OTML) and Frieda River project (when sanctioned)
  - Local towns and communities in Kiunga – Ok Menga – Frieda River corridor
  - Export to West Papua: Merauke, Jayapura

- **Mid-scale LNG project (~ 2-4 mtpa)**

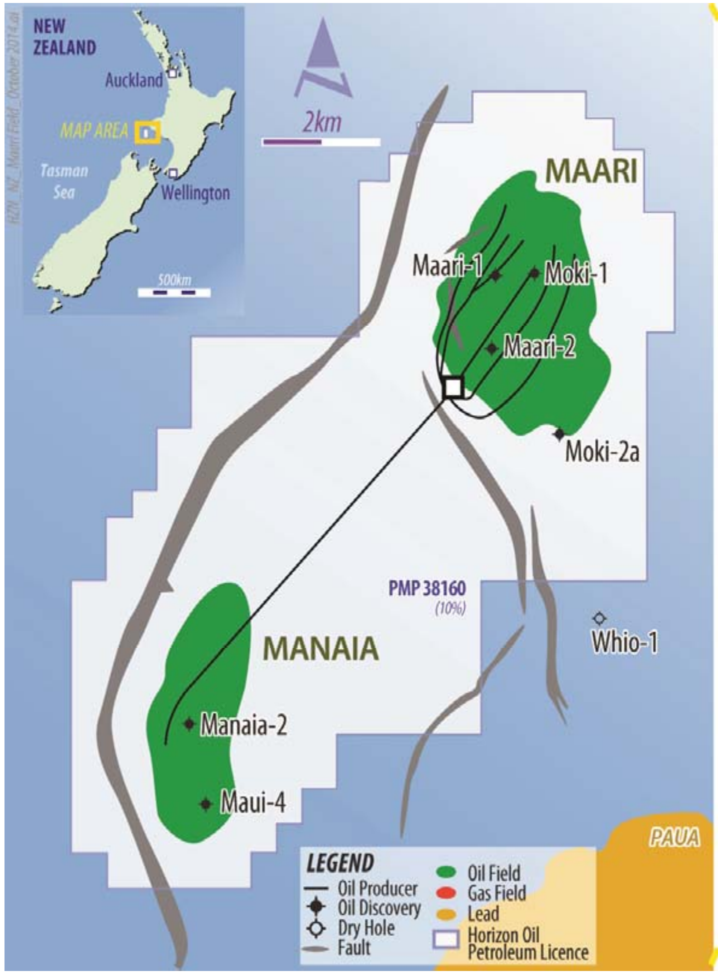
  Expandable mid scale LNG plant at coastal location, such as Daru, to supply:-
  - City and mining project power demand, as substitute for diesel or fuel oil
  - Singapore LNG and products hub
  - North Asian markets

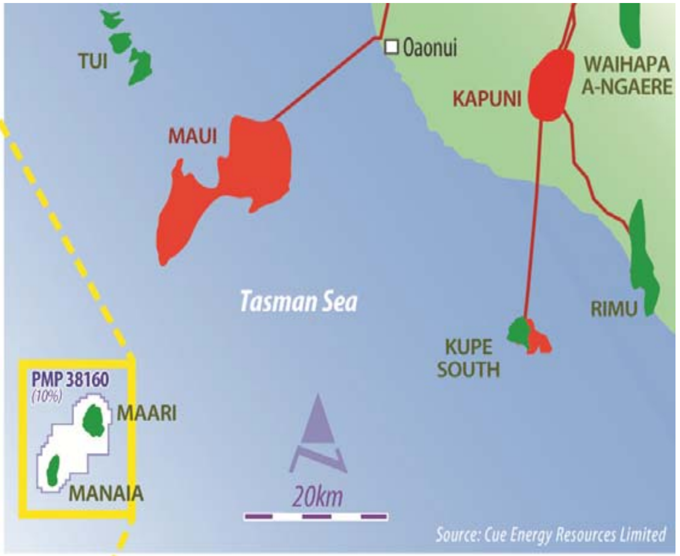
- **Brownfield development**

  Aggregation of Western Province NW Hub gas to supply dedicated expansion train at PNG LNG site in Port Moresby



Maari /Manaia fields – New Zealand





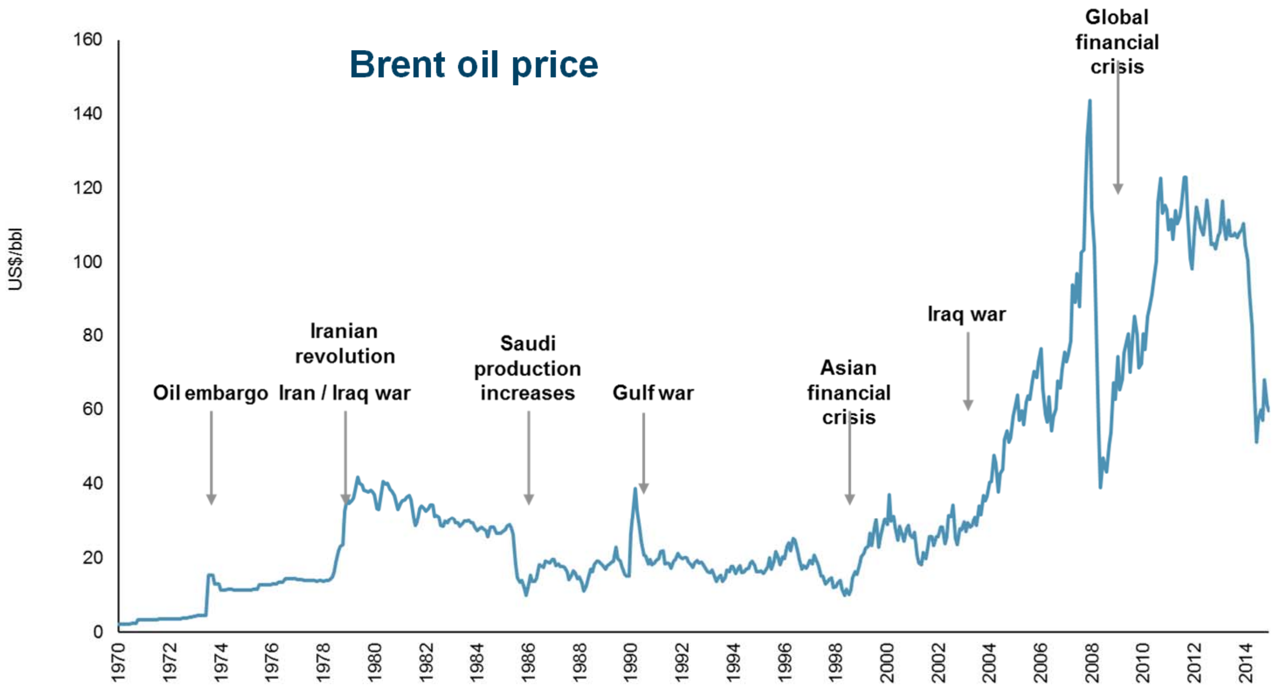
- Maari field facilities and FPSO *Raroa* repaired and upgraded in H2 2013
- Maari Growth Projects Program successfully completed and *Ensco 107* jack-up rig released in July 2015
- Field production currently 16,000 bopd+
- Workover program about to begin to further enhance production

Gross reserves (mmbo) at 31/12/14	2P
Produced	25.2
Remaining	46.1

PMP 38160:

HZN	10%
OMV	69% (Op)
Todd	21%
CUE	5%

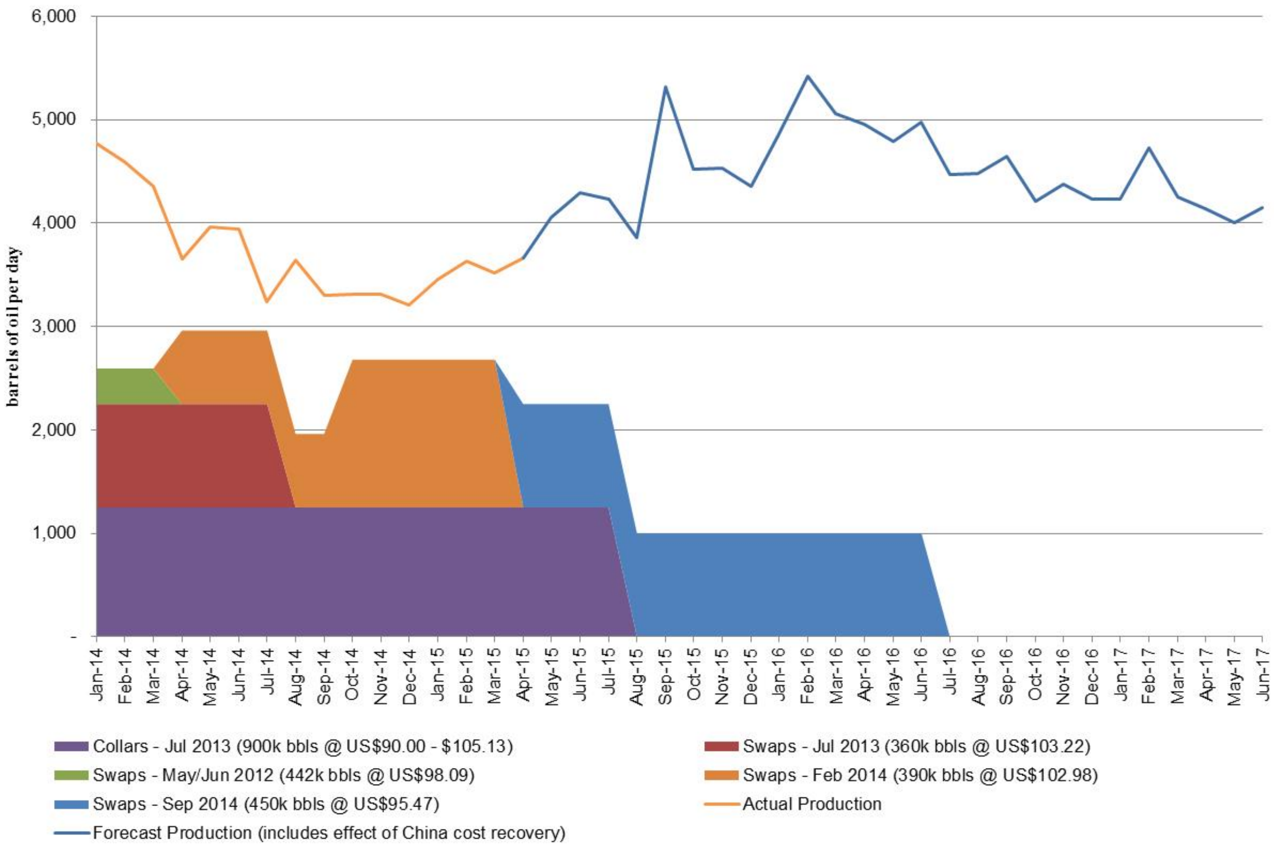
Response to current low oil price environment



- Operating income substantively maintained by oil price hedging 2014 – mid 2016 and reduced opex
- Capex for 2015 materially reduced and discretionary expenditure minimised
  Target capex + net G&A for calendar year 2015 < US$50m
- Spend on new field development planning maintained to take advantage of cost deflation
  - PDL 10 (Stanley) and PRL 21 (Elevala/Ketu), PNG
  - WZ 12-8E and WZ 12-10 Beibu Gulf, China
- Administrative spend controlled
- Focus on managing business risk

Strong risk management with a well established hedging policy

Oil price hedge profile



- 842,500 mmboe hedged from 1 Jan 2015 through mid 2016 at average of US$95/bbl.
- Oil price hedging program means cash flows in 2015 and 2016 not critically impacted by low oil prices.
- Production costs significantly reduced in 2015 (20% lower in Block 22/12 YTD).
- Oil production from multiple fields (currently 1 in New Zealand and 2 in China) reduces production risk .
- Loss of Production Insurance policies in place for Maari and Beibu Gulf fields.
- Longer term, gas sales will reduce reliance on oil price.

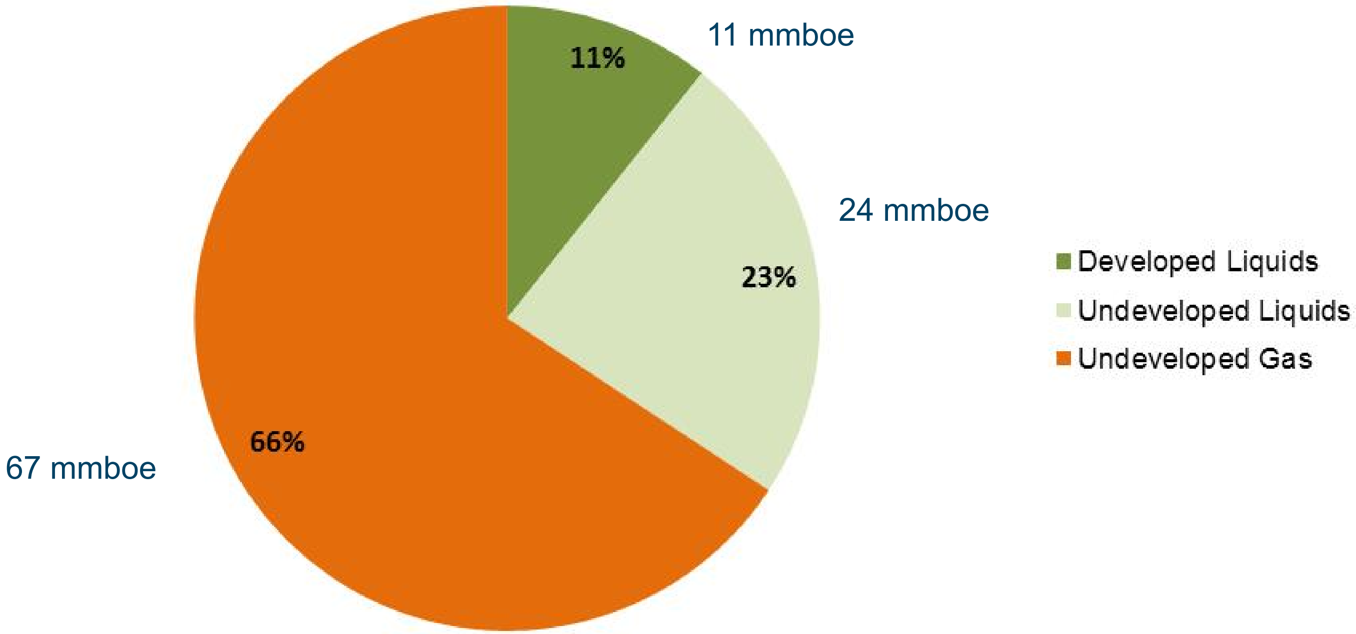
Forecast net operating income 2015-2017

Calendar Year	2013 Actual[1]	2014 Actual[1]	2015E	2016E	2017E
Assumed oil price			*US$60/bbl*	*US$65/bbl*	*US$75/bbl*
Operating income after opex (including the Special Oil Gain Levy payable in China) and excl extraordinaries[2] (US$m)	62	91	82	90	80
Sensitivity to oil price US$55/bbl			*77*		
Sensitivity to oil price US$45/bbl			*71*		

[1] Actual operating income based on audited accounts through 30 June 2014 and quarterly reports thereafter
[2] Operating income after opex (including the Special Oil Gain Levy payable in China) and excl extraordinaries is a financial measure which is not prescribed by the Australian Accounting Standards and represents the revenue from crude oil sales including realised gains and losses on oil hedging derivatives after deducting cost of sales which has been adjusted for amortisation expense and non-recurring income and expenditure. The directors consider this to be a useful measure of performance of the Group's underlying operations.

Balanced portfolio – focus on resource development

Large audited reserves and contingent resources base
11% developed / 89% undeveloped – 34% oil / 66% gas



2P + 2C reserves and contingent resources of **101 mmboe**

Strategic priorities

- Focus on growing Horizon Oil to be an E&P leader in Asia-Pacific upstream space
- Optimise oil and gas production from our existing producing fields
- **Develop discovered resources within our existing asset portfolio, taking advantage of anticipated capital cost deflation resulting from low oil prices**
- Evaluate the company's exploration portfolio in and around our development assets
- Undertake disciplined evaluations of new opportunities and continual review of our portfolio to ensure focus, balance and growth
- Manage capital expenditure budget conservatively, especially in low oil price environment
- Maintain a prudent financial outlook, minimise risk where possible and optimise our capital structure to emerge strongly from currently depressed E&P market

Please visit the Horizon Oil website
www.horizonoil.com.au to see:-

Detailed Investor Presentation

Latest Quarterly Report

Analyst reports on HZN

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The reserve and resource information contained in this announcement is based on information compiled by Alan Fernie (Manager – Exploration and Development). Mr Fernie (B.Sc), who is a member of AAPG, has more than 38 years relevant experience within the industry and consents to the information in the form and context in which it appears.