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

HORIZON OIL (HZN)
Repsol announces sale of Papua New Guinea interests

Repsol has announced that it has agreed to sell its shares in the Repsol entities holding its Papua New Guinea assets to Balang International Pte. Ltd (**Balang**), subject to customary conditions precedent for a transaction of this nature. Relevantly, this includes Repsol's approximately 40% interest in the Elevala / Ketu and Stanley fields, being the foundation fields for the standalone gas aggregation project, Western LNG.

Attached to this announcement is Repsol's announcement of 11 June 2018 (Port Moresby).

Balang is part of the China Changcheng Natural Gas Power Co. Ltd Group (**Changcheng Group**) which has investments in the natural gas and power sectors in the Asia Pacific Region, including in the People's Republic of China.

Provided the conditions precedent to the transaction are satisfied or waived, Horizon Oil welcomes Balang and the Changcheng Group as its new joint venture partner in Papua New Guinea.

Yours faithfully,



Brent Emmett
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REPSOL ANNOUNCES SALE OF PAPUA NEW GUINEA INTERESTS

Repsol has agreed to sell its shares in the Repsol entities holding its Papua New Guinea assets to Balang International Pte. Ltd (Balang), subject to customary conditions precedent for a transaction of this nature. Provided that such conditions are satisfied or waived, completion is expected by Q4 this year.

Balang is a part of the China Changcheng Natural Gas Power Co. Ltd Group which has investments in the natural gas and power sectors in the Asia Pacific Region, including in the People's Republic of China.

The business will continue to be operated by Repsol until the completion of the transaction, prioritizing the well-being of staff and safe and reliable operations.

Dai Ying Xiang, Chairman of Balang, commented: "Balang is committed to develop the discovered resources in these assets, with the potential for PNG's next liquefied natural gas (LNG) project to be a reality in the very near future. This deal is great news for PNG, and for the people of the Western Province in particular."