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

HORIZON COMMENCES INFILL DRILLING PROGRAMME IN BLOCK 22/12, BEIBU GULF, CHINA

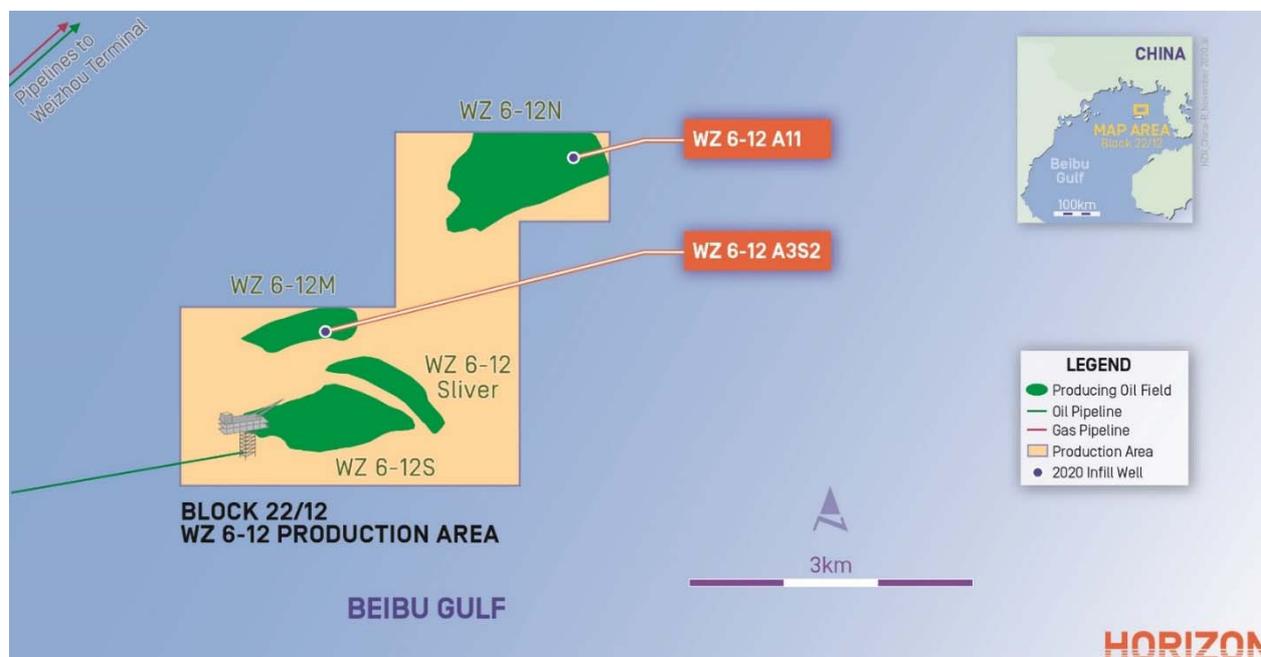
Horizon is pleased to advise that drilling operations have commenced on two infill wells located in the Weizhou 6-12 Fields of Block 22/12, Beibu Gulf, People's Republic of China.

The two well infill drilling programme is targeting undeveloped reserves in the WZ6-12 area, including the WZ6-12-A11 well into the producing WZ6-12 North field, and the WZ6-12 A3S2 well into last year's WZ6-12 M1 discovery. Horizon 2P NEI reserves for these two wells are 0.3 MMbbl and 0.2 MMbbl respectively.

Both wells are being drilled from the existing WZ6-12 platform with one well side-tracked from an existing wellbore, and the other drilled from a recently completed rig slot extension. The two wells will tie in to existing facilities and are expected to deliver a combined total rate of ~1,900 bopd gross to the existing WZ6-12 production facility, and will provide valuable reservoir data to determine production and reservoir performance in both the WZ6-12 N and WZ6-12 M1 oil pools.

Participants:	
CNOOC (Operator)	51.00%
Horizon Oil (Beibu) Limited	26.95%
Roc Oil	19.60%
Majuko Corp	2.45%
Total	100.00%

Horizon's share of capital costs associated with the infill drilling programme is forecast to be US\$5 million, which will be internally funded using Horizon's existing cash reserves and field production revenue.



Authorisation

This ASX announcement is approved and authorised for release by the Company Secretary.