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

HORIZON COMMENCES PRODUCTION FROM INFILL WELLS ON THE WZ6-12N AND WZ6-12M FIELDS, BLOCK 22/12, BEIBU GULF, CHINA

Horizon is pleased to advise that two infill wells in the Weizhou 6-12 fields of Block 22/12, Beibu Gulf, People's Republic of China, have been successfully drilled and have now commenced production.

With combined initial production test rates of 2,473 bopd gross these wells have exceeded expectations and increased gross production from Block 22/12 to above 10,000 bopd gross.

The WZ6-12-A11 and -A3S2 wells will deliver near term incremental production to the existing WZ6-12 production facility and will provide valuable reservoir data to determine production and reservoir performance in both the WZ6-12N and WZ6-12M fields.

Horizon CEO, Chris Hodge added:

"This is a great result for Horizon as it emphatically supports our strategy to maintain plateau production at around 10,000 bopd from this prolific group of fields.

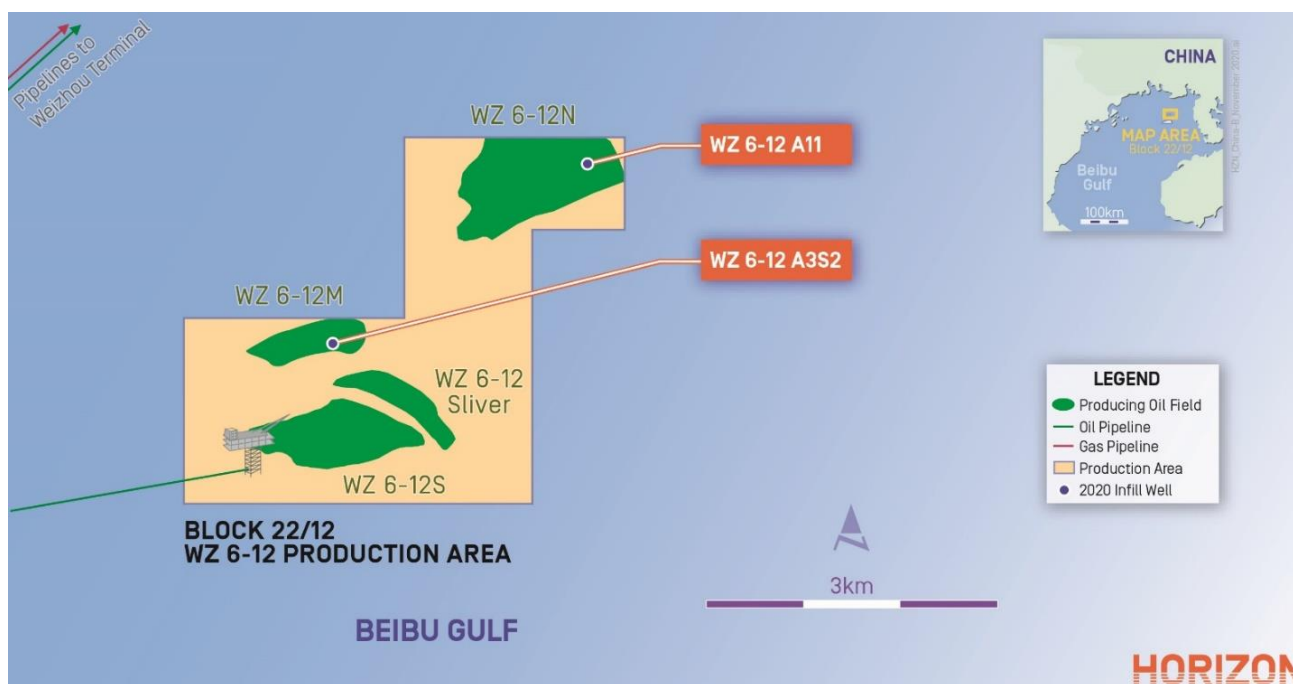
The Operator, CNOOC is to be commended for drilling the wells incident free and within budget – as is Roc Oil for its strong technical support.

The success of the WZ6-12-A3S2 well is particularly satisfying because it is a development of the WZ6-12M discovery which was drilled as recently as November 2019 – demonstrative of the commitment of the JV to fast-track full development of the Beibu oil project.

Timing of first production from the infill wells has coincided with the recent steady increase in oil prices to approximately US\$60/bbl as markets remain optimistic of a recovery in oil demand during 2021. This bodes extremely well for cash generation from Block 22/12 where cash operating costs remain low".

Participants:

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



The infill wells were batch-drilled commencing 9 December 2020 with the HYSY685 jack-up rig.

The WZ6-12-A11 extended reach well was drilled to develop the Oligocene aged T31C and T32L sandstones located on the north-eastern extent of the existing WZ6-12N field and intersected 89 mMD of oil-bearing net pay sand between 4,361m and 4,526 mMD with a well angle of 78° through the reservoirs. A11 was perforated across the full net pay interval and completed for production with downhole Electric Submersible Pumps. The well was most recently tested at 1,177 bopd through a 28/62” choke [GOR of 42 scf/bbl and a water cut of 1%].

The WZ6-12-A3S2 well, which was drilled as a side-track of the now abandoned A3S1 well, was drilled to develop the Oligocene aged T31C sandstone located on the crest of the recently discovered WZ6-12M field and intersected 24 mMD of oil-bearing net pay sand between 2,025 m and 2,064 mMD with a well angle of 41° through the reservoirs. A3S2 was perforated across 15 mMD of the net pay interval and completed for production with downhole Electric Submersible Pumps. The well was most recently tested at 1,296 bopd through a 34/64” choke [GOR of 110 scf/bbl and a water cut of 1%].

Notes:

1. Refer to the 2020 Annual Report for details on reserves estimation methodology and competent persons reporting
2. All rates quoted are 100% gross.
3. All depths quoted are measured depth [MD] from the HYSY685 jack-up rig rotary table.

Authorisation

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