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The Manager
Company Announcements
ASX Limited
Exchange Centre
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Sydney NSW 2000

HORIZON – UPDATE ON FY22 GUIDANCE & 12-8 EAST PROJECT, OFFSHORE CHINA

Horizon (ASX:HZN) is pleased to provide the following update:

FY22 Guidance

- FY22 Revenue guidance has been revised upward to US\$105 - 110 million (from US\$90 - 100 million) following a period of sustained higher oil prices.
- Likewise, the range for FY22 EBITDAX guidance has been revised upward to US\$65 - 75 million (from US\$60 - 70 million).

Participants:

CNOOC (Operator)	51.00%
Horizon Oil (Beibu) Ltd.	26.95%
Roc Oil	19.60%
Oil Australia Pty Ltd.	2.45%

Total **100.00%**

WZ12-8E Production and Operations Update

- Production from all the 22/12 Beibu fields (including WZ12-8E) has averaged ~11,800 bopd gross during the month of May.
- Production from the first two WZ12-8E wells (WZ12-8E A1 and A2) averaged ~3,700 bopd gross during May, with production from these wells consistent with Horizon's pre-drill expectations.
- Development wells WZ12-8E A3 and A4 have both been batch drilled to the 12¼" hole casing TD, and preparations are being made to drill the 8½" holes horizontally within the reservoir to TD and thereafter completed for production. These two wells are expected to contribute a further ~2,000 bopd gross each in the next month.
- The WZ12-8E A7 water disposal well has been drilled and is awaiting completion. A secondary appraisal target in the deeper Weizhou sandstone failed to encounter hydrocarbons.
- Following completion operations at WZ12-8E -A3, A4, and A7 the plan is to drill the final two development wells in this first phase project; WZ12-8E A5 and A6. The joint venture will then review production performance before considering additional drilling.
- An exploration well (WZ12-8E A8) is expected to follow the A5 and the A6 wells. Further details will be provided once final JV approvals have been achieved.

With respect to operations activities in the wider Block 22/12 permit, a number of infill targets, appraisal and exploration wells and well workovers continue to be in the final planning phase for execution later in the year.

About the WZ12-8 East Project

The WZ12-8 East Project represents the first phase of a possible multi-phase development, depending on the production performance of this first phase. The initial phase will use a total of five production wells to develop the western side of the large Jiaowei reservoir and one production well from the smaller nearby Weizhou reservoir. Further development of the Jiaowei reservoir will be considered by the joint venture following the first phase results.

The WZ12-8 East Project utilises the HYSY163 self-elevating wellhead platform which is being leased by the joint venture from the contractor CEDC. The platform is linked to the existing WZ12-8 West platform via a new pipeline and subsea power cable, with oil then exported via existing CNOOC facilities to CNOOC's Weizhou Terminal.

The remaining development costs are to be internally funded using Horizon's existing cash reserves and field production revenue.

Roc Oil is the current operator of the WZ12-8 East Project, with CNOOC expected to assume operatorship by the end of 2022.

Disclaimer

Forward looking statements: The updated guidance included in this release contains forward looking statements. Such statements are subject to risks associated with the oil and gas industry and relate to future events, such as oil price movements, and as such involve known and unknown risks and uncertainties. The Company believes the expectations in this statement are reasonable. Actual results, actions and development may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. These variables or changes include but are not limited to price, demand, currency, geotechnical factors, drilling and production results, development progress, operating results, engineering estimates, reserve estimates, environmental risks, physical risks, regulatory developments, approvals and cost estimates.

While every effort is made to provide accurate and complete information, Horizon accepts no responsibility for any loss, damage, cost or expense incurred by you as a result of any error, omission or misrepresentation in information in this release.

Financial Information: In this release, reference is made to EBITDAX which is a financial measure not prescribed by Australian Accounting Standards. EBITDAX represents the profit under Australian Accounting Standards adjusted for interest expense, gains on remeasurement of derivative financial instruments, taxation expense, depreciation, amortisation, exploration expenditure, non-cash impairments and profit/loss from discontinued operations. The directors consider EBITDAX to be a useful measure of performance as it is widely used by the oil and gas industry.

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