

8 July 2022

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

WZ12-8E A8 EXPLORATION WELL – DRILLING COMMENCES IN BEIBU GULF, CHINA

Horizon Oil Limited (**Horizon**) is pleased to advise that, following the successful completion of the first phase of WZ12-8E development drilling, the WZ12-8E A8 (**A8**) exploration well commenced drilling on 6 July utilising the Strike Rig. As at 6:00am China Standard Time (UTC +8) today, the well was drilling ahead in 16” hole at 1,095m MD.

The A8 well is being drilled from the WZ12-8E production platform and is targeting stacked Tertiary reservoirs and a deeper fractured basement play. The well is targeting an unrisksed best estimate gross Prospective Resource¹ (2U) of 5.1 mmbbls (Horizon net 1.4 mmbbls). Resources have been probabilistically estimated as of 24 June 2022 in line with the SPE PRMS classification scheme. Drilling is expected to take approximately four weeks to reach an anticipated Total Depth of 1260 mTVDSS.

The opportunity to drill such prospective targets has been enabled by the WZ12-8E development. In the event of success, the well can be brought on to production through the WZ12-8E infrastructure within a few days of a discovery, providing an immediate return on investment. In the event of a dry hole, the well could possibly be side tracked into the Jiaowei reservoir as an additional production well. A further benefit is that the A8 well will provide valuable structural and oil-water contact datapoints to constrain the eastern extent of the WZ12-8E Jiaowei structure prior to a potential phase 2 Jiaowei development.

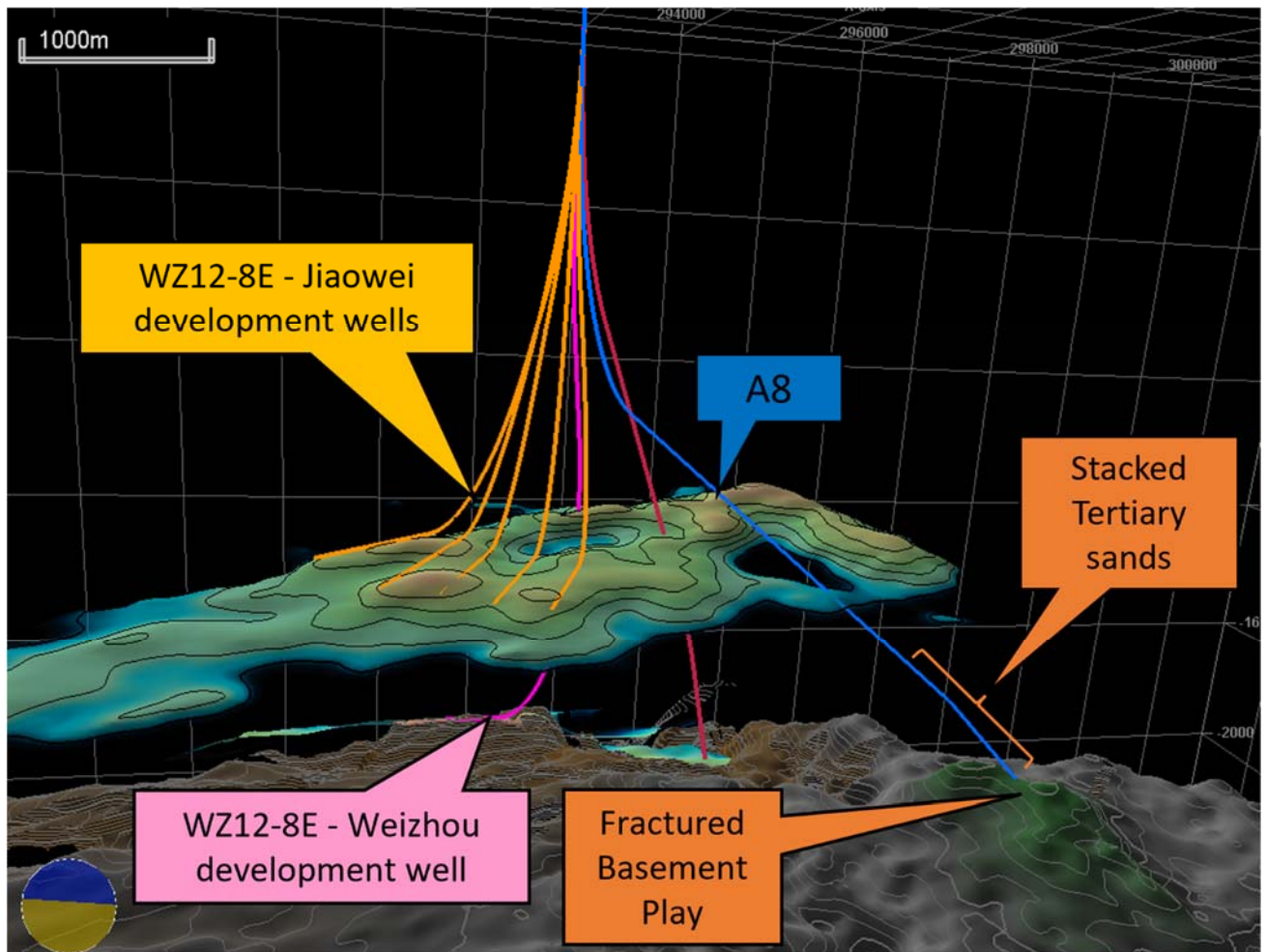
Given that A8 is an exploration well, Horizon will participate at its 55% exploration interest, and the dry hole well cost will be approximately US\$4.0 million net to Horizon. In the event of a discovery, CNOOC may elect to back in for 51% such that Horizon’s ultimate participating equity interest in the well may be reduced to 26.95%.

WZ12-8E A8 exploration well participants:

Horizon Oil (Beibu) Ltd.	55.00%
Roc Oil (Operator)	40.00%
Oil Australia Pty Ltd.	5.00%
Total²	100.00%

¹ Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Further information on the above Prospective Resources as required under ASX Listing Rule 5 is included later in this ASX release.

² China National Offshore Oil Corporation (“CNOOC”) is entitled to participate at up to a 51% equity level in any commercial development within Block 22/12.



View of the WZ12-8E oilfield from the south, showing the Jiaowei development wells and the trajectory of the A8 exploration well.

Further information in accordance with ASX Listing Rule 5:

The estimates of petroleum reserves and resources contained in this statement are based on, and fairly represent, information and supporting documentation prepared by staff and independent consultants under the supervision of Mr Gavin Douglas, Chief Operating Officer of Horizon Oil Limited. Mr Douglas is a full-time employee of Horizon Oil Limited and is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers. Mr Douglas' qualifications include a Master of Reservoir Evaluation and Management from the Heriot Watt University UK, and more than 25 years of relevant experience. Mr Douglas consents to the use of the petroleum reserves and resources estimates in the form and context in which they appear in this statement.

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