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7 September 2022

HORIZON OIL LIMITED

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

RIU – GOOD OIL CONFERENCE PRESENTATION

Attached please find Horizon's presentation to the RIU – Good Oil Conference held at Hyatt Regency Hotel, Perth today, 7 September 2022.

Authorisation

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

HORIZON

HORIZON OIL GOOD OIL CONFERENCE

SEPTEMBER 2022



Disclaimer

- ▶ Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Horizon Oil Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.
- ▶ 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 presentation.
- ▶ In this presentation, references are made to EBITDAX, Underlying Profit and Free Cashflow, which are financial measures which are not prescribed by Australian Accounting Standards:
- ▶ EBITDAX represents the profit adjusted for interest expense, taxation expense, depreciation, amortisation, and exploration expenditure (including non-cash impairments),
- ▶ Underlying profit represents the profit under Australian Accounting Standards adjusted for unrealised non-cash financing costs associated with the revaluation of the options issued under the 2016 subordinated loan facility, gains on the remeasurement of derivative financial instruments and the profit/loss generated from discontinued operations, and
- ▶ Free Cash Flow represents Cashflow from Operating Activities less Investing cashflows.
- ▶ All references to dollars in the presentation are United States dollars unless otherwise noted.

Reserves Disclosure

- ▶ Unless otherwise stated, all petroleum reserves and resource estimates refer to those estimates as set out in Horizon's 2022 Reserves and Resources Statement contained in the 2022 Annual Report. Horizon is not aware of any new information or data that materially affects the information included in this presentation. All the material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.
- ▶ For the purposes of this presentation, 6 bcf of raw gas equals 1 mmbœ.
- ▶ 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, the 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 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 it appears.
- ▶ This presentation should be read in conjunction with Horizon's 2022 Reserves and Resources Statement, the Annual Financial Report for the year ended 30 June 2022 and ASX Announcements.

HORIZON'S PORTFOLIO



China, Beibu Gulf, 26.95% production / 55% exploration

- ▶ CNOOC [51% - Operator]
- ▶ Roc Oil [19.6%]
- ▶ Majuko Corp. [2.45%]



New Zealand, Maari, 26%

- ▶ OMV [69% - Operator]¹
- ▶ Cue Energy [5%]



¹Sale to Jadestone Energy pending NZ Regulatory approvals



MAXIMISE FREE CASHFLOW¹

- ▶ Generated EBITDAX of US\$73 million, with net cash of US\$42.8 million
- ▶ WZ12-8E field commencement, infill wells, production efficiencies, infrastructure-led exploration
- ▶ Continued strong cost control
 - ▶ Cash operating costs <US\$20/bbl



FURTHER DISTRIBUTIONS TO SHAREHOLDERS

- ▶ AUD\$49.4 million distributed in CY2021 including AUD 3c capital return
- ▶ Announced a further AUD 3c distribution (AUD\$47.4 million)
- ▶ Potential for further capital management initiatives under constant review



CONTINUE INVESTING IN PRODUCTION GROWTH

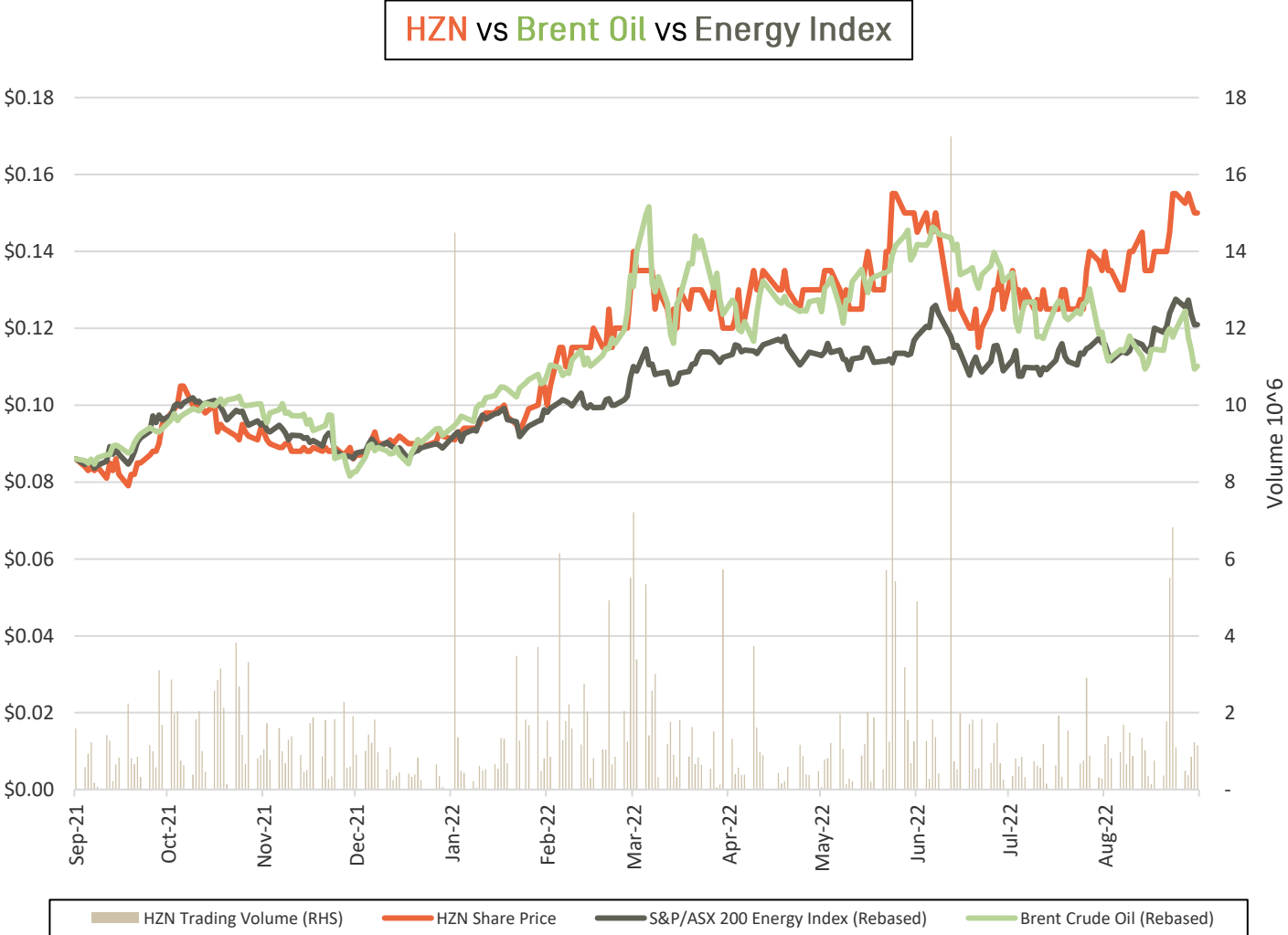
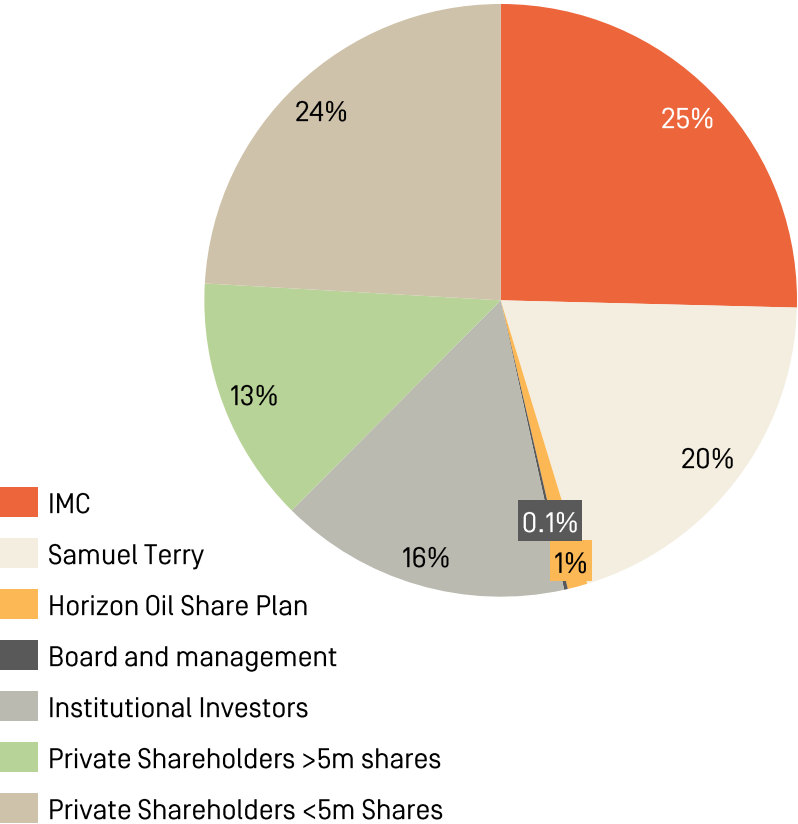
- ▶ WZ12-8E field – commencement of project delivering 0.6 MMbbl reserves
- ▶ WZ6-12 workover and drilling programme underway
- ▶ Focused on bringing into production our pipeline of contingent and prospective resources
- ▶ Keeping an eye out for exceptional new business opportunities

¹Free Cash Flow represents cash flows from operating activities less investing cash flows.

HORIZON SNAPSHOT



ASX: HZN
OTCQB: HZNFF
Shares on issue: 1.6 billion
Market Cap. A\$240 million @ 15 cents



FY22 HIGHLIGHTS



FINANCIAL



- ▶ Sales revenue of US\$108.1 million
- ▶ EBITDAX of US\$73 million
- ▶ Underlying Profit after Tax of US\$24.3 million
- ▶ Net cash at 30 June 2022 of US\$42.8 million after settling AUD 3 cent per share capital return totaling ~US\$35 million
- ▶ Executed US\$20 million extension to senior debt facility shortly after year end

OPERATIONAL



- ▶ WZ12-8E project - oil from six wells started in Q2 CY2022, 18 months after FID
- ▶ Infill wells in Block 22/12 in '21 added 2,200 bopd (gross initial rate), more being planned for '22/'23
- ▶ Workovers optimise production across both projects
- ▶ High emphasis on asset integrity management across both projects

SHAREHOLDER RETURNS



- ▶ AUD 3 cent per share capital return completed during first half
- ▶ Announced further distributions totaling AUD 3 cents per share comprised of:
 - ▶ AUD 1.65 cent per share unfranked CFI dividend
 - ▶ AUD 1.35 cent per share capital return
- ▶ Announced distributions represents >70% of FY22 Free Cash Flow¹

ESG



- ▶ Strong safety record below industry benchmarks
- ▶ Zero tolerance policy on bribery and other forms of corruption
- ▶ Strive to make a positive impact in the communities where we operate
- ▶ Declared ambition to reach Net Zero Emissions by 2050, using TCFD recommendations to guide disclosures

¹Free Cash Flow represents cash flows from operating activities less investing cash flows (net of acquisition payments).

BLOCK 22/12: RELIABLE, HIGH MARGIN PRODUCTION

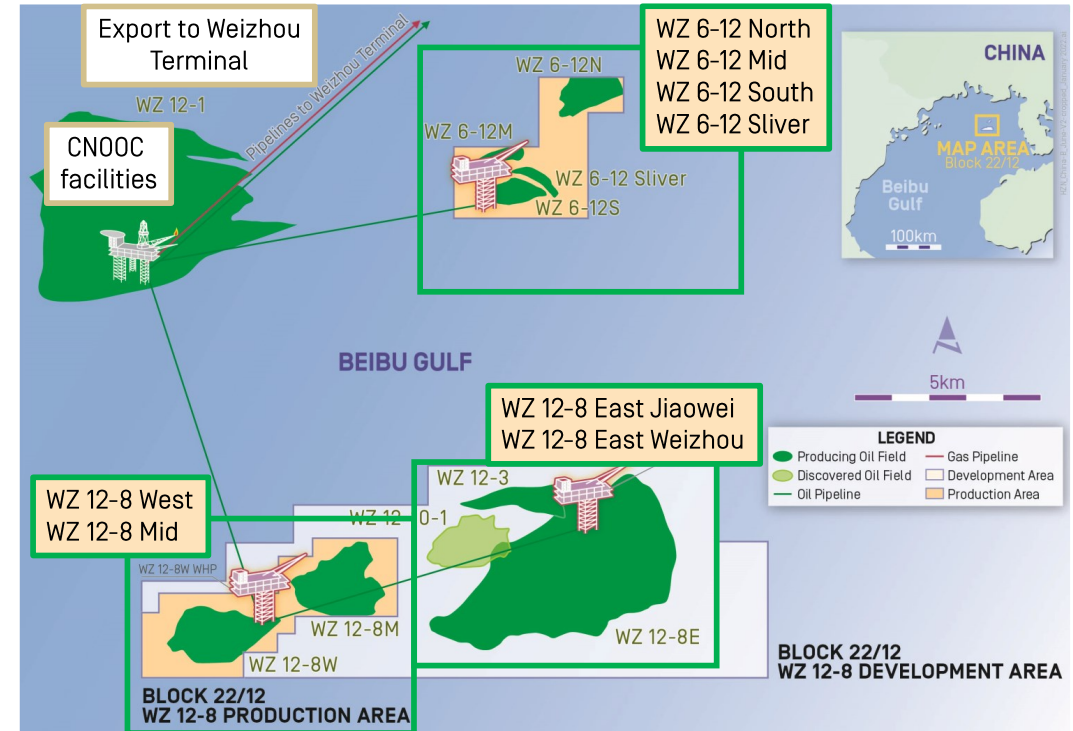


ASSET OVERVIEW

- ▶ Block 22/12, Beibu Gulf, China, 26.95% production / 55% exploration
- ▶ JV: CNOOC (51% - Operator), Roc Oil (19.6%), Majuko Corp. (2.45%)
- ▶ Block 22/12 continues to generate approximately 70% of Horizon operating cashflow
- ▶ Low cash operating costs – approximately \$13/bbl produced over FY2022
- ▶ WZ6-12 and WZ12-8W field abandonment costs prepaid into a sinking fund

HIGHLIGHTS

- ▶ Production averaged over 15,000 bopd gross (Horizon net over 4,000 bopd) since the WZ12-8E project resumed production on 24 July, from 25 wells across 8 discrete fields
- ▶ Production from new WZ12-8E field development commenced early April '22
- ▶ Production rates are maintained through a combination of near-field drilling, increased water handling and production optimisation via well workovers and continually improving operating practices
- ▶ JV is continuously identifying and evaluating infill well and infrastructure led near-field exploration opportunities which will support current production in the longer term



HORIZON

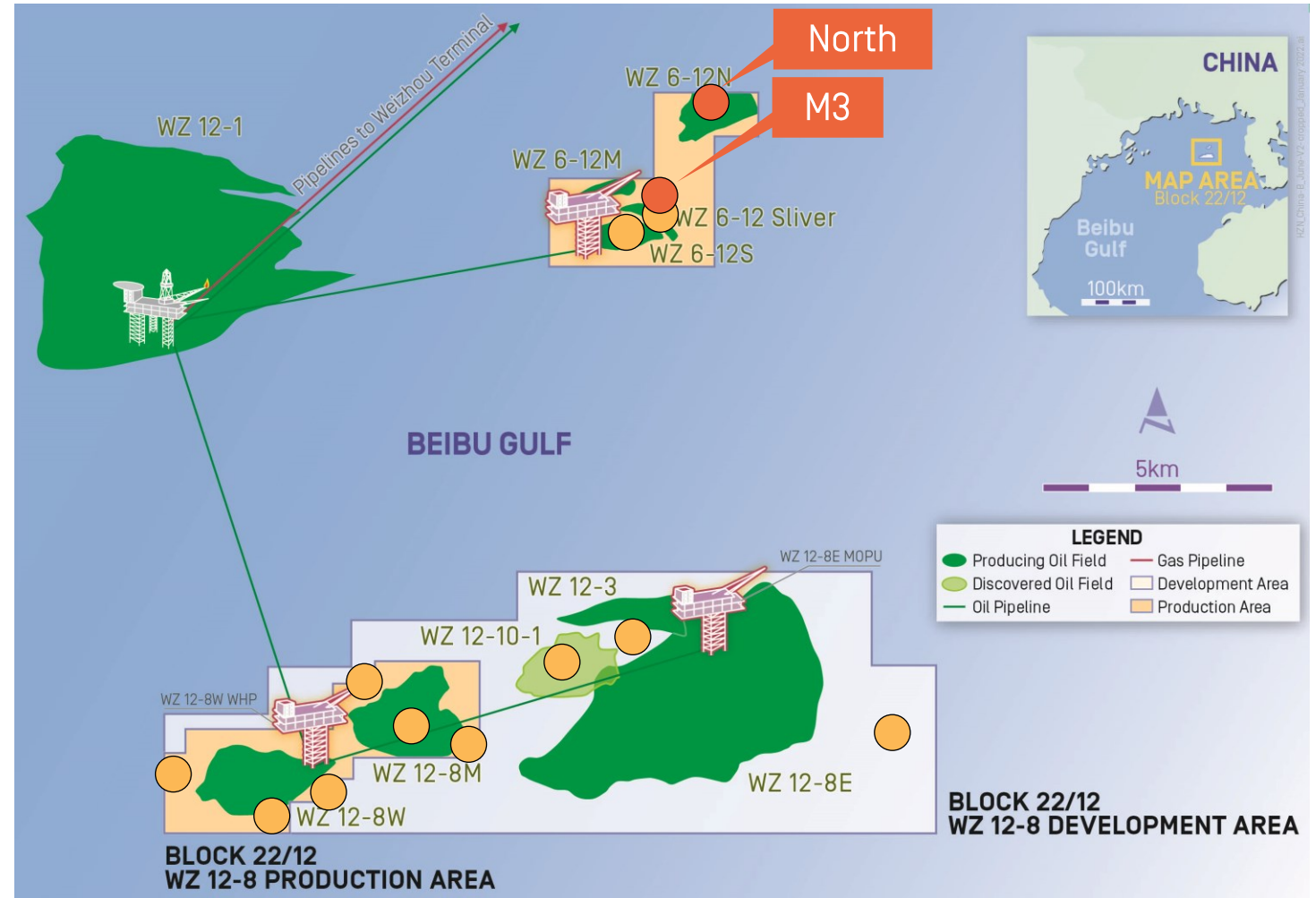
-
- BEIBU GULF**
- LEGEND**
- Producing Oil Field
 - Discovered Oil Field
 - Development Area
 - Production Area
 - Oil Pipeline
- 12-8E Weizhou reservoir**
- 12-8E Jiaowei reservoir**
- WZ 12-8WHP**
- WZ 12-8M**
- WZ 12-8W**
- WZ 12-8 DEVELOPMENT AREA**
- BLOCK 22/12**
- WZ 12-8 PRODUCTION AREA**
- WZ 12-8E MOPU**
- 3km**



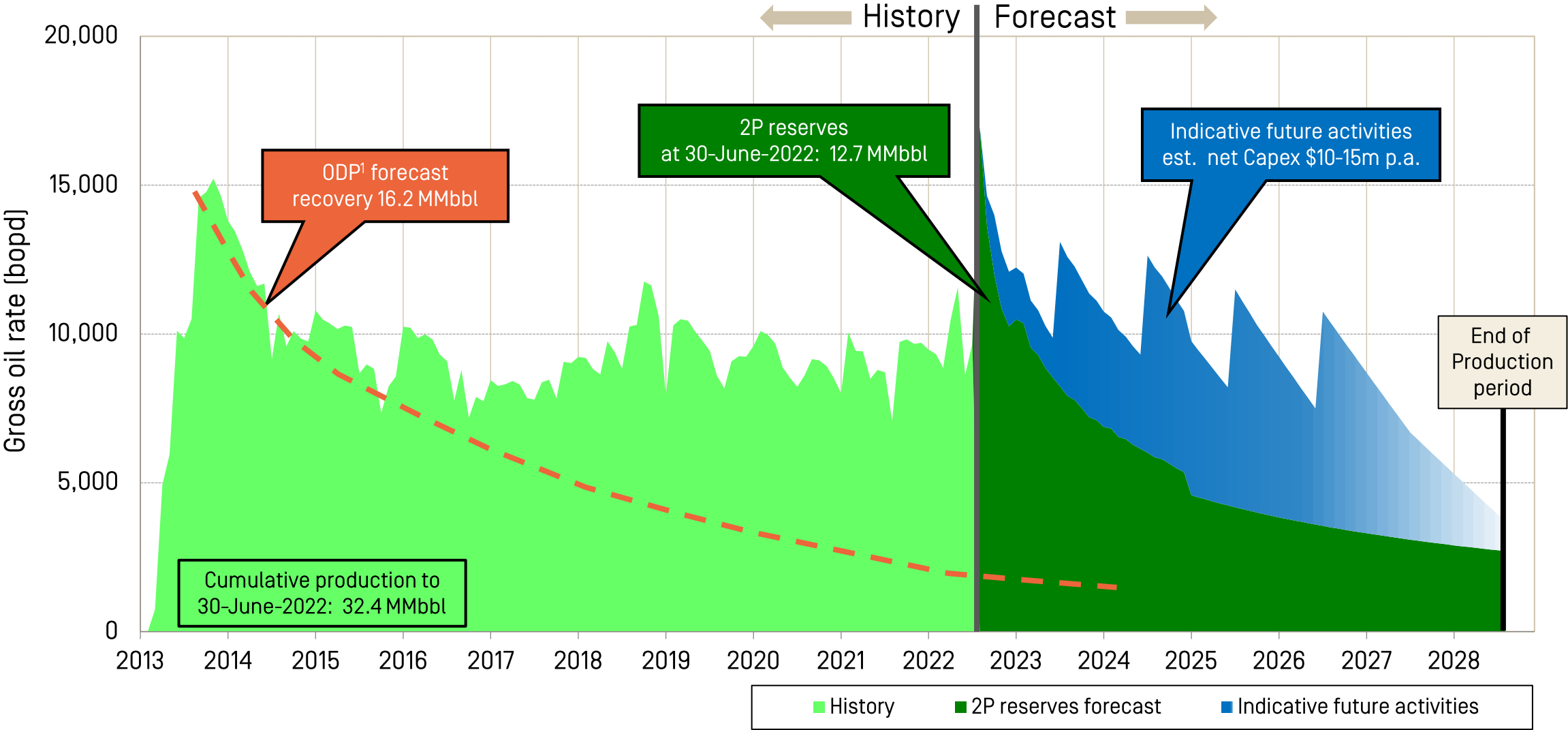
BLOCK 22/12: INFILL, APPRAISAL & EXPLORATION OPPORTUNITIES

- ▶ The JV has a strong portfolio of 2P, 2C and 2U infill, appraisal and infrastructure led near-field opportunities, two of which are scheduled for drilling by CYE 2022
- ▶ Success in these opportunities will help to extend plateau production into the longer term
- ▶ a five well workover program recently completed - successfully reinstated / enhanced production from existing WZ6-12 wells
- ▶ M3 appraisal well recently spud and drilling ahead, North to follow

- 2022 drilling
- Possible future drilling



BLOCK 22/12: HISTORY & INDICATIVE FORECAST [GROSS]



¹ODP = Overall Development Plan
Forecasts remain subject to JV and regulatory approvals
All data on this slide (production and recovery) is gross unless otherwise stated

MAARI: STABLE PERFORMANCE

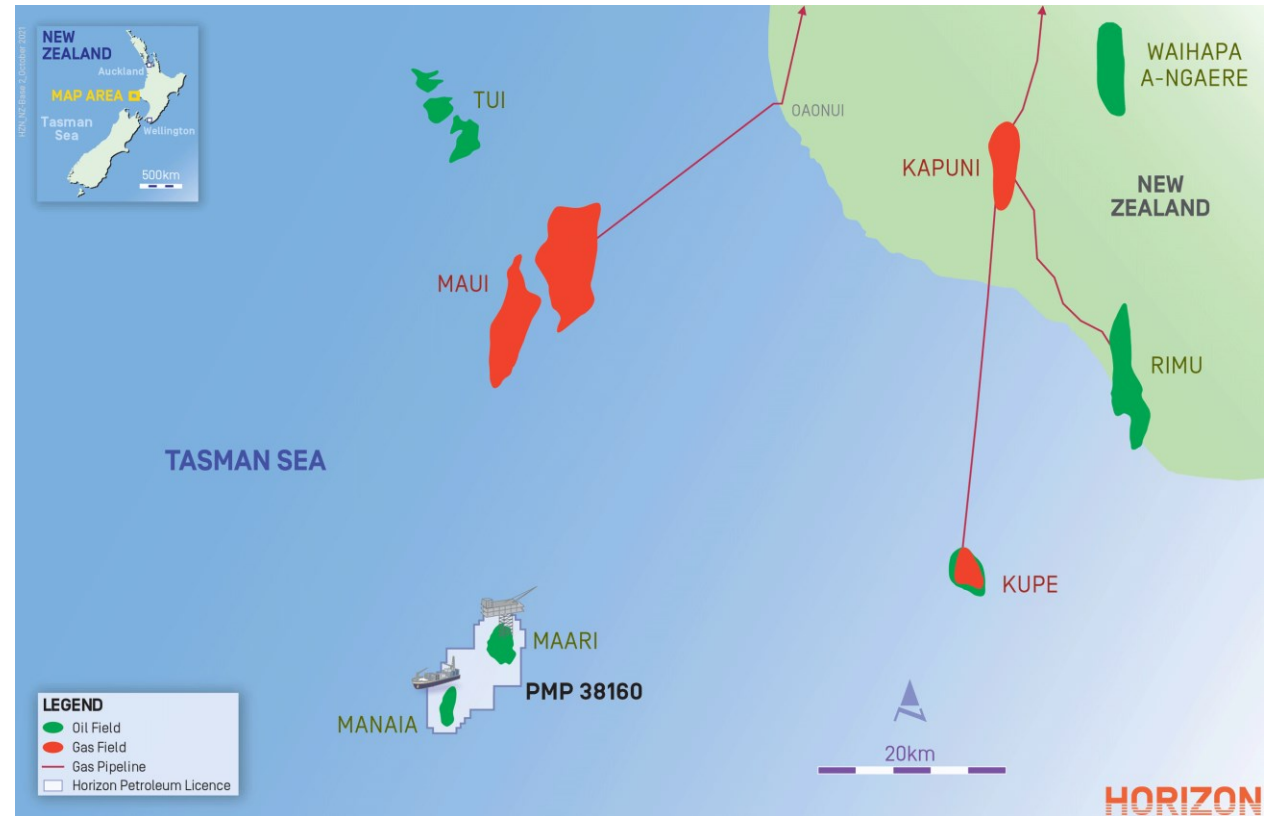


ASSET OVERVIEW

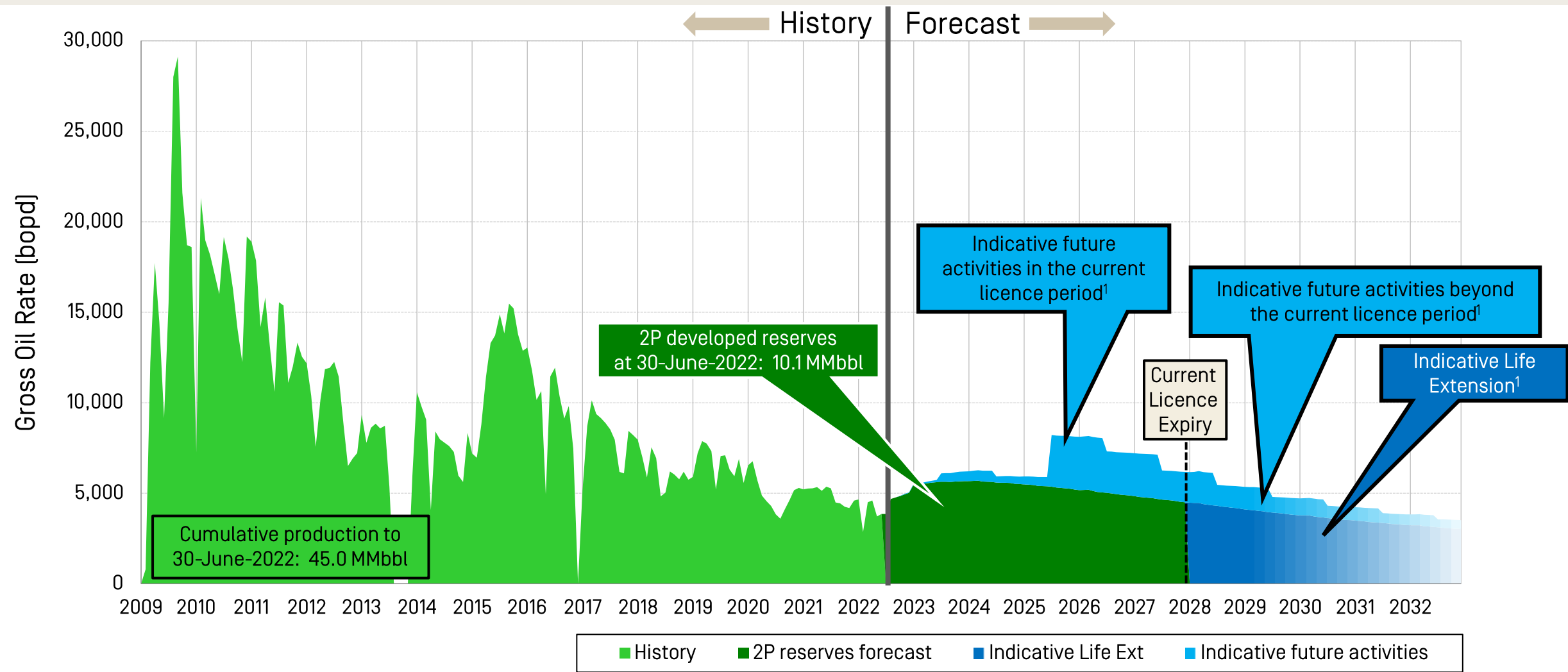
- ▶ Maari, New Zealand, 26%
- ▶ JV: OMV [69% - Operator], Cue Energy [5%]
- ▶ Maari/Manaia generates approximately 30% of Horizon operating cashflow
- ▶ Cash operating costs for FY2022 of \$28/bbl produced
- ▶ CY2022 production impacted by COVID led deferrals of workovers – wells expected to be back online shortly
- ▶ Production license and 2P reserves forecast to end of 2027
- ▶ Decommissioning studies and funding planning initiated

HIGHLIGHTS

- ▶ Strong premiums received on Maari crude from deliveries into East Coast Australia oil market, reflective of increased regional oil demand.
- ▶ Whilst the long-awaited operatorship transition continues to await regulatory approval, we have been impressed by OMV's continued focus on costs and conducting safe operations.



MAARI: HISTORY & INDICATIVE FORECAST [GROSS]



¹ Likely requires permit extension to be commercially viable
Forecasts remain subject to JV and regulatory approvals
All data on this slide [production and recovery] is gross unless otherwise stated

INVESTMENT HIGHLIGHTS



Material positions in excellent producing assets

- ▶ 26.95% Block 22/12, Beibu Gulf, China
- ▶ 26% Maari Project, New Zealand
- ▶ Current Horizon net production rate of ~5,000 bopd
- ▶ JV's - IOC's with decades of relevant in-country experience

Right sized organization

- ▶ Focused active management approach and a small, high calibre, hands-on team

Strong cashflows

- ▶ Existing cash and future cashflows support ongoing workover and drilling programs
- ▶ Low cost

Focused on shareholder returns

- ▶ A\$47.4 million distributed during FY22, with a further A\$47.4 million in distributions announced
- ▶ Potential for further capital management initiatives under constant review

Exploitation of our significant opportunity hopper

- ▶ WZ12-8E commencement, infill wells, production efficiencies, infrastructure-led exploration
- ▶ Material 2C and 2U resource base supports low cost, high value multi-year activity

Invest in new business if exceptional

- ▶ Strong investment metrics, low risk, ability to add scale and portfolio resilience
- ▶ Focus - projects (primarily organic) which enhance capital management initiatives



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