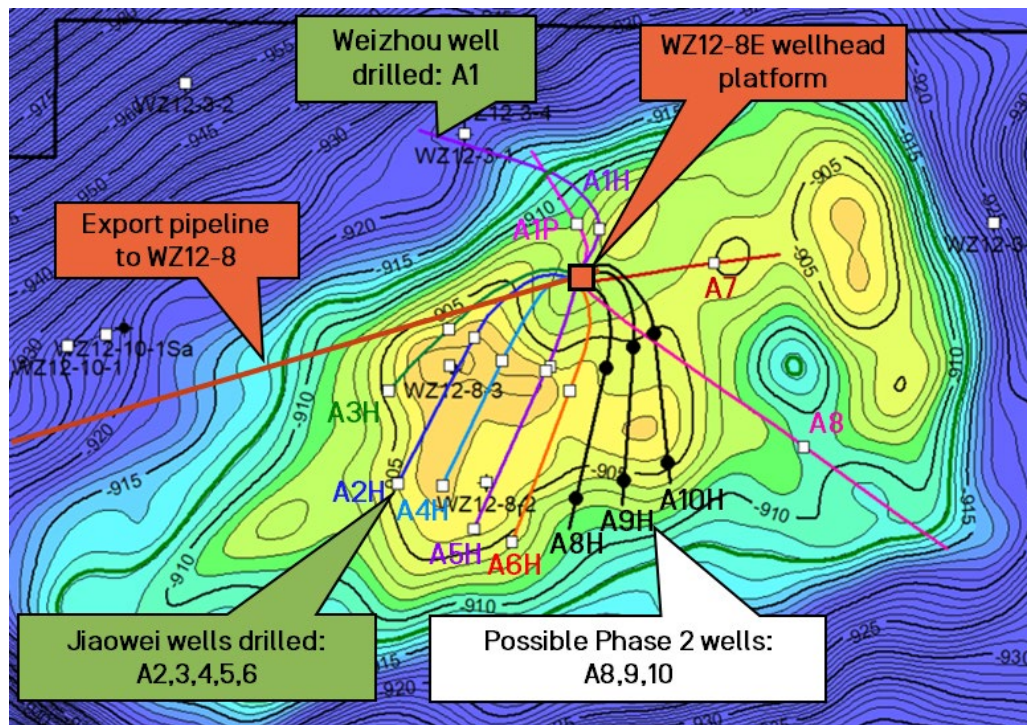


29 September 2022

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

## BLOCK 22/12, WZ12-8E PHASE 2 DRILLING PROGRAMME

Horizon Oil Limited (**Horizon**) is pleased to advise that, following the early success of the WZ12-8E Phase 1 development drilling programme, the Block 22/12 Joint Venture has agreed to proceed into a WZ12-8E Phase 2 development that will drill between three and five additional wells from the WZ12-8E wellhead platform. The wells will be drilled using the Strike rig that drilled the Phase 1 programme and which is currently drilling appraisal / infill wells in the WZ6-12 area. The WZ6-12 programme is expected to be completed in the next two weeks with the Strike rig to return to the WZ12-8E field in late October. The Joint Venture is currently finalising well numbers and locations for the Phase 2 drilling programme. Indicative recovery from three Phase 2 wells would be 0.75 mmbbls gross (Horizon net 0.20 mmbbls) which will be reclassified from current contingent resources to reserves in Horizon's next reserves update. Incremental capex costs for a three well programme is currently estimated to be approximately US\$7.5 million (net to Horizon), which is to be funded from cash on hand.



WZ12-8E field [top Jiaowei] map & wells

The momentum for this Phase 2 programme is a combination of strong production performance of the Phase 1 wells, the short-term availability of the Strike rig, and the demonstrated efficient performance of the rig which has now been in Block 22/12 for seven months. The six WZ12-8E Phase 1 production wells were producing 6,359 bopd gross (Horizon net 1,714 bopd) on 25 September, following the successful commissioning of the water processing and disposal system on the WZ12-8E wellhead platform which will free-up pipeline capacity to allow increased rates from

the WZ12-8E wells. Total Block 22/12 Beibu production on 25 September including WZ12-8E was 14,486 bopd gross (Horizon net 3,904 bopd).

As reported previously, the WZ6-12 workover programme was completed in late August and the rig then proceeded to drill the WZ6-12 M3 appraisal well in early September. The M3 well did not intersect commercial hydrocarbons and was immediately side-tracked to drill a WZ6-12 M1 infill well which is a follow-up to the successful development well drilled in early 2021. The M1 sidetrack has intersected oil in at least three reservoirs and will be batch-completed and brought onto production together with the WZ6-12 North infill well that is currently being drilled. These WZ6-12 drilling operations will be completed by mid-October with the rig then returned to the WZ12-8E field for the Phase 2 drilling programme.

Horizon CEO, Richard Beament added:

*"It is extremely pleasing that the Block 22/12 Joint Venture now has the opportunity to proceed to a Phase 2 drilling programme in the WZ12-8E field following the successful Phase 1 drilling campaign earlier this year and encouraging performance of the Phase 1 wells during the first five months of production."*

**Block 22/12 participants:**

CNOOC (Block 22/12 Operator)	51.00%
Horizon Oil (Beibu) Ltd.	26.95%
Roc Oil (WZ12-8E Operator)	19.60%
Oil Australia Pty Ltd.	2.45%
<b>Total</b>	<b>100.00%</b>

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.