

7 September 2023

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

HORIZON OIL LIMITED

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 2023.

Below is the link to register to the livestream in Perth (times are AWST):

https://us02web.zoom.us/webinar/register/WN_NlfV4tyST3SBke074l5T0g

Authorisation

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



HORIZON OIL GOOD OIL & GAS ENERGY CONFERENCE

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SEPTEMBER 2023



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, Profit after tax 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).
- ▶ 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.
- ▶ Some totals in tables and charts may not add due to rounding.

Reserves Disclosure

- ▶ Unless otherwise stated, all petroleum reserves and resource estimates refer to those estimates as set out in Horizon's 2023 Reserves and Resources Statement contained in the 2023 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 2023 Reserves and Resources Statement, the Annual Financial Report for the year ended 30 June 2023 and ASX Announcements.

HORIZON'S PORTFOLIO



China, Beibu Gulf, 26.95% production

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



New Zealand, Maari, 26%

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





MAXIMISE FREE CASHFLOW¹

- ▶ Generated record EBITDAX of US\$103.5 million in FY23, with net cash of US\$35.7 million
- ▶ Record production from Block 22/12 driving cashflow generation following successful WZ12-8E field development, infill drilling and workover campaign
- ▶ Record premiums achieved on Maari crude oil sales with successful workover operations restoring gross production back above 5,000 bopd by year end
- ▶ Continued strong cost control - cash operating costs <US\$20/bbl despite inflationary pressures



FURTHER DISTRIBUTIONS TO SHAREHOLDERS

- ▶ Total FY23 Distributions of AUD 3.5 cents per share (total return of AUD 56 million), comprised of:
 - ▶ Interim dividend completed in April 23 of AUD 1.5 cents per share (total return of ~AUD 24 million)
 - ▶ Final dividend announced of AUD 2.0 cents per share (total return of ~AUD 32 million)
- ▶ Over AUD 150 million (AUD 9.5 cents per share) paid out in distributions over the past 3 years whilst still investing in growth
- ▶ Regular distributions continue to be a priority

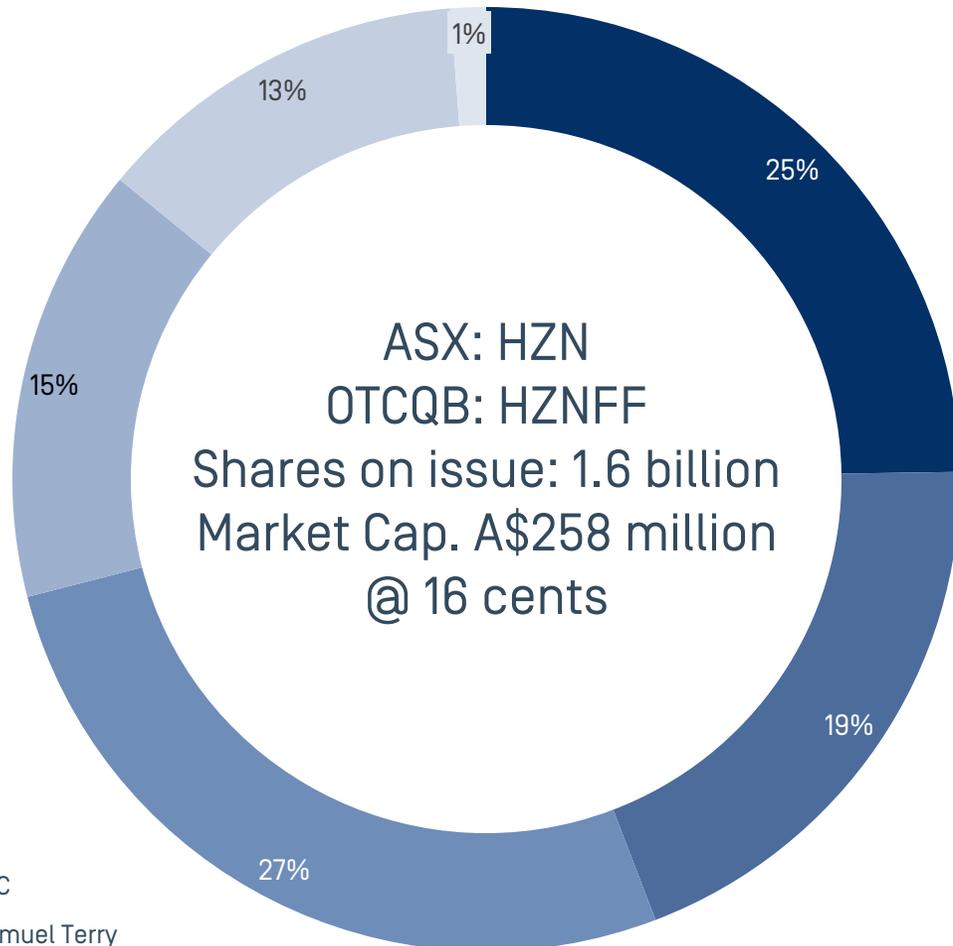


CONTINUE INVESTING IN PRODUCTION GROWTH

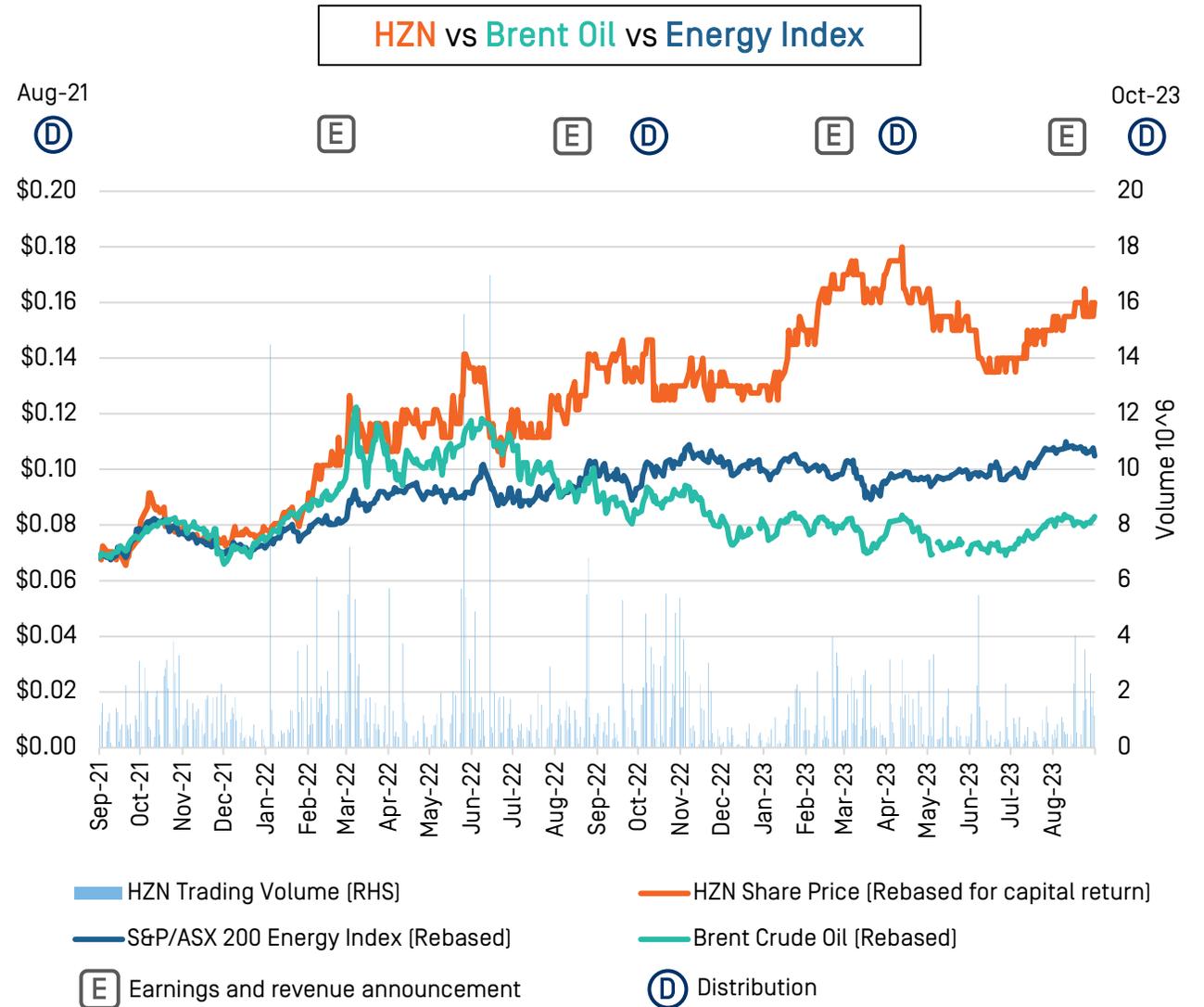
- ▶ ~US\$30 million invested in successful WZ12-8E field development – driving production growth to record levels at Block 22/12 which resulted in material reserves upgrade
- ▶ WZ6-12 workover and infill drilling program successfully completed with other Block 22/12 wells being matured
- ▶ Investment in asset integrity at Maari provides opportunity to pursue life extension
- ▶ Keeping an eye out for exceptional new business opportunities – executed Nobrac seed capital investment

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

HORIZON SNAPSHOT



- IMC
- Samuel Terry
- Private Shareholders <5m Shares
- Private Shareholders >5m shares
- Institutional Investors
- Board and management



STRONG CASHFLOW GENERATION DRIVING SHAREHOLDER RETURNS

FINANCIAL



- ▶ 46% increase in revenue to US\$152.1 million
- ▶ 42% increase in EBITDAX to US\$103.5 million
- ▶ 80% increase in Statutory Profit after Tax to US\$43.9 million
- ▶ Net cash at 30 June 2023 of US\$35.7 million after settling AUD 1.5 cps interim distribution totaling ~US\$17 million in April 23

OPERATIONAL



- ▶ WZ12-8E project successfully completed – production results exceeded pre-drill expectations with significant reserve upgrade
- ▶ Successful infill drilling in other Block 22/12 fields further added to production during FY23
- ▶ Workovers optimise production across both China and NZ
- ▶ ~55% 2P reserves replacement
- ▶ Horizon combined daily production rate averaged over 5,000 bopd net

SHAREHOLDER RETURNS



- ▶ AUD 1.5 cent per share interim unfranked CFI dividend paid in April 23
- ▶ AUD 2.0 cent per share final unfranked CFI dividend to be paid in October '23
- ▶ FY23 Total Shareholder Return (TSR) of around 40%, adding over AUD 80 million of shareholder value

ESG



- ▶ Strong safety record better than industry benchmarks
- ▶ Seed capital investment in carbon removal credit developer (Nobrac) to aid decarbonisation, hedge against Maori emission costs and provide investment returns
- ▶ Third Modern Slavery Statement submitted
- ▶ Continued focus on emission reductions and striving to make a positive impact in the communities where we operate

BLOCK 22/12: RECORD PRODUCTION

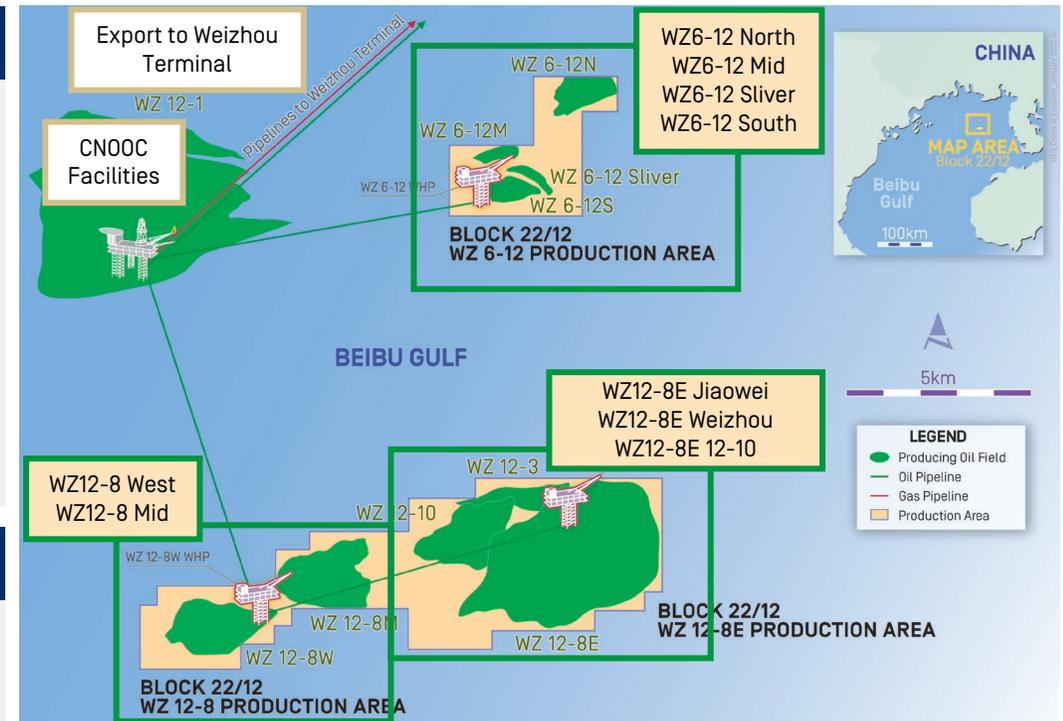


ASSET OVERVIEW

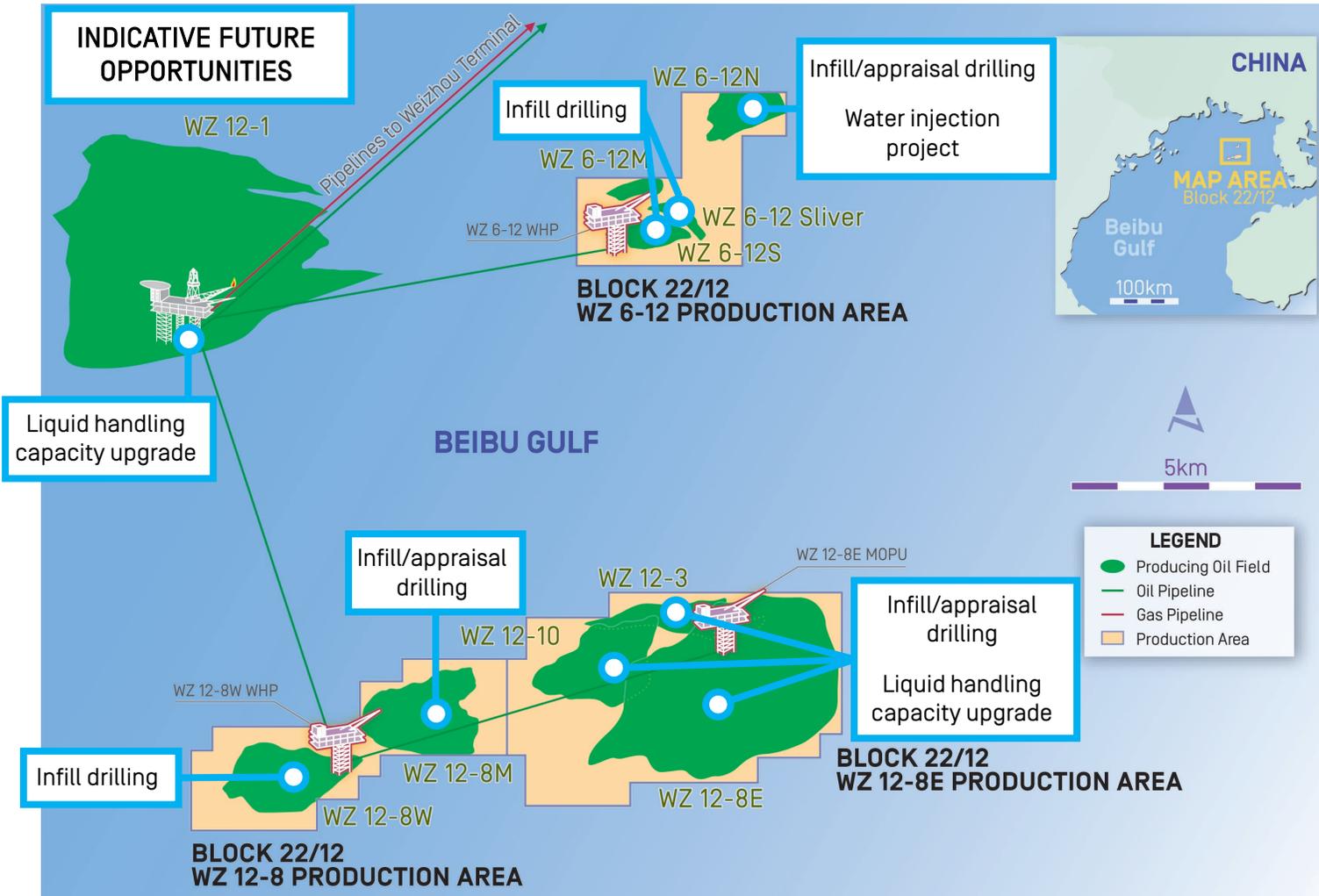
- ▶ Block 22/12, Beibu Gulf, China, 26.95%
- ▶ JV: CNOOC (51% - Block 22/12 Operator), Roc Oil (19.6%), Oil Australia Pty. Ltd. (2.45%)
- ▶ Block 22/12 generates approximately 80% of Horizon operating cashflow
- ▶ Low cash operating costs less than \$12/bbl produced over FY23
- ▶ WZ6-12 and WZ12-8W field abandonment costs prepaid into a sinking fund, WZ12-8E field abandonment costs to be paid from production

HIGHLIGHTS

- ▶ Record Block 22/12 production achieved, with daily oil rates reaching peak production of ~20,000 bopd gross (5,400 bopd net) in December. FY23 exit rates were robust, with June '23 average over 13,000 bopd gross (~3,500 bopd net)
- ▶ A five well workover program successfully completed in late August 2022
- ▶ A two well WZ6-12 drilling program, followed by a four well WZ12-8E Phase 2 drilling program, marking the end of a 10-month Block 22/12 drilling campaign
- ▶ Joint Venture commemorated ten years since first oil from Block 22/12, and the one-year anniversary following first oil from the WZ12-8E field
- ▶ JV is continuously identifying and evaluating infill well and infrastructure led appraisal opportunities which aim to support material reserves replacement over the longer term



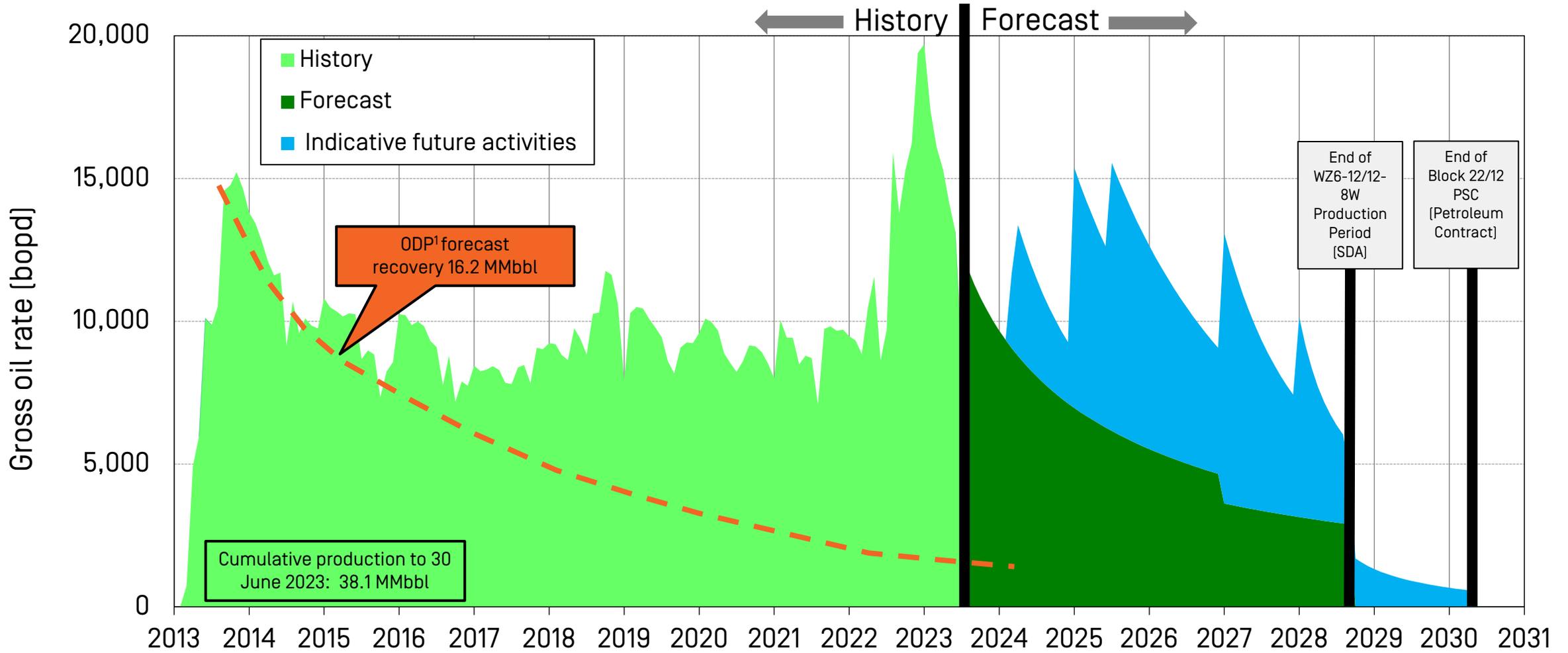
BLOCK 22/12: INDICATIVE FUTURE OPPORTUNITIES¹



- INDICATIVE FUTURE OPPORTUNITIES**
- ▶ The JV has a strong portfolio of indicative future opportunities, comprising infill and appraisal drilling and infrastructure led projects
 - ▶ Success in these opportunities will help to extend/increase short to medium term production rates

¹ indicative only and remain subject to further technical and economic evaluation, JV and regulatory approvals

BLOCK 22/12: HISTORY & FORECAST [GROSS]



¹ODP = Overall Development Plan

Future activities remain subject to further technical and economic evaluation, JV and regulatory approvals.

Historical data on chart to 31 July 2023.

All data on this slide (history, forecast, cumulative production) is gross unless otherwise stated.

MAARI: RELIABLE PERFORMANCE JUSTIFYING FIELD LIFE EXTENSION ASSESSMENT

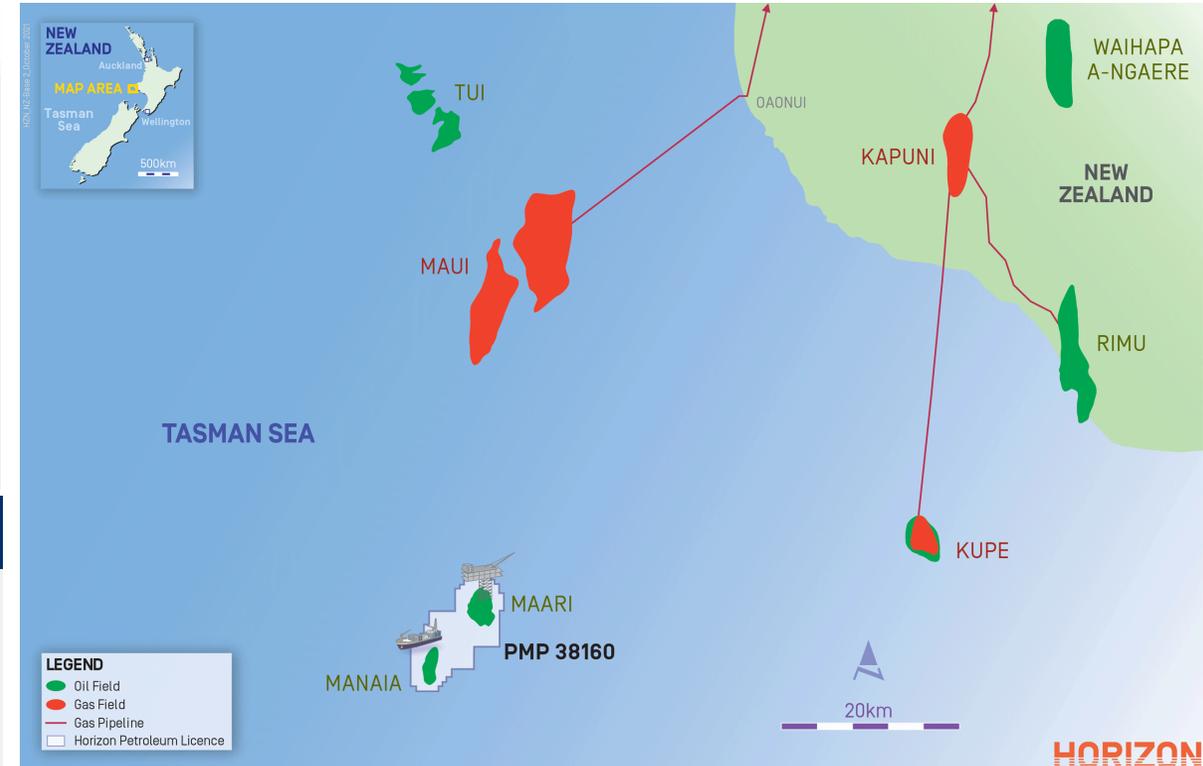


ASSET OVERVIEW

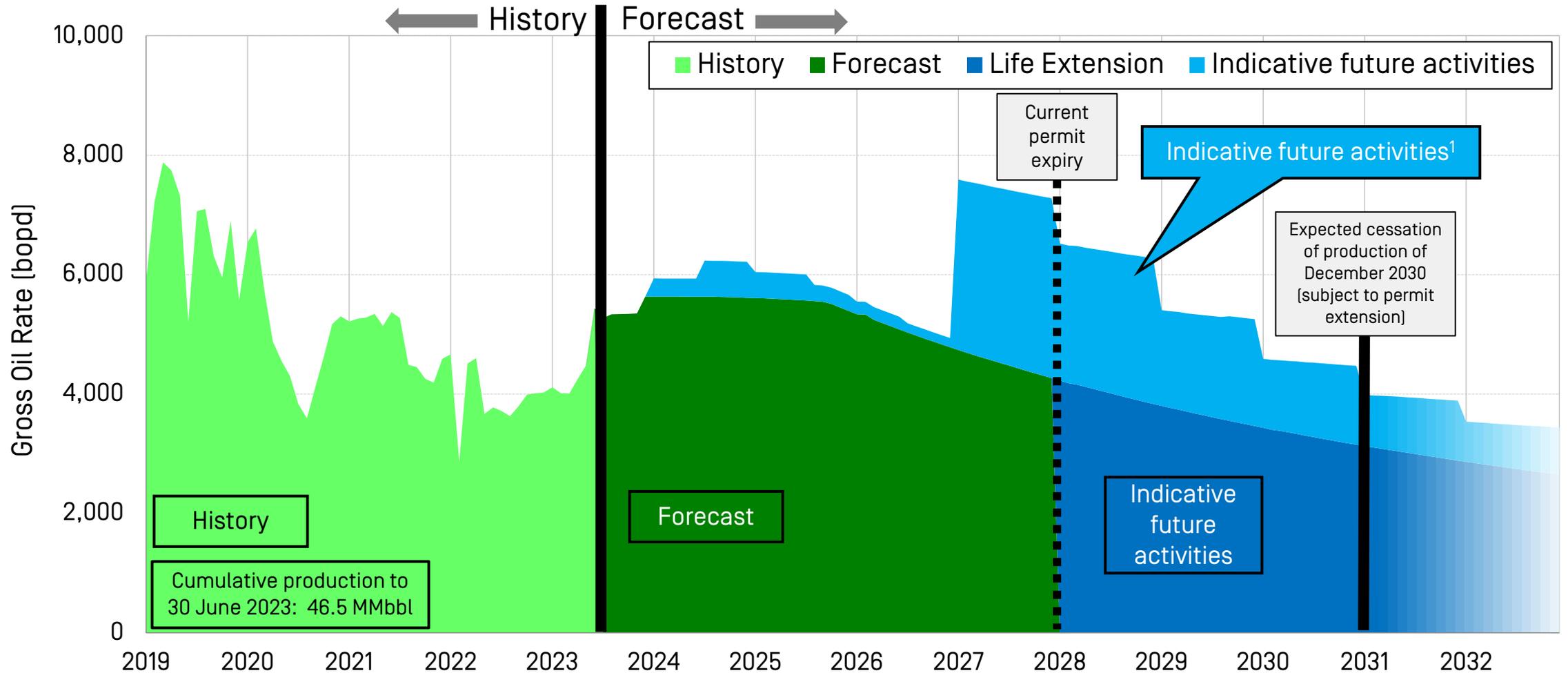
- ▶ Maari, New Zealand, 26%
- ▶ JV: OMV [69% - Operator], Cue Energy [5%]
- ▶ Maari/Manaia generates approximately 20% of Horizon operating cashflow
- ▶ Maari crude continues to attract strong premiums with an average 2023 financial year premium to dated Brent of ~US\$10/bbl
- ▶ Cash operating costs for the year remained below \$35/bbl produced, excluding workovers

HIGHLIGHTS

- ▶ Successful workover operations and water injection optimisation during FY23 restored gross production back above 5,000 bopd by year end
- ▶ Near-term focus remains to complete the workover of the MR2 well to convert it to a permanent water injection well, and reinstatement of MR6A
- ▶ Production license and 2P reserves forecast to end of 2027, the potential for life extension beyond 2027 being evaluated
- ▶ The operator substantially completed life extension works and inspections, with formal sign-off expected shortly for the Raroa FPSO to be certified for a further 5 years through to 2028
- ▶ Decommissioning cost estimate revised and lodged with regulator to determine financial security requirements, with funding planning initiated



MAARI: HISTORY & FORECAST [GROSS]



¹ Likely requires permit extension to be commercially viable
 Future activities remain subject to further technical and economic evaluation, JV and regulatory approvals.
 Historical data on chart to 31 July 2023.
 All data on this slide (history, forecast, cumulative production) 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 ~4,500 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
- ▶ Continued strong cost control - cash operating costs <US\$20/bbl despite inflationary pressures

Focused on shareholder returns

- ▶ Over AUD 150 million [AUD 9.5 cents per share] paid out in distributions over the past 3 years
- ▶ Regular distributions continue to be a priority

Exploitation of our significant opportunity hopper

- ▶ Infill and appraisal wells, infrastructure-led projects, production efficiencies
- ▶ Material 2C 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

HORIZON

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