

11 June 2024

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

## MEREENIE OIL AND GAS FIELD ACQUISITION COMPLETED

Horizon is pleased to advise that its acquisition of a 25% non-operated interest in the producing Mereenie oil and gas field completed today.

Horizon announced on 14 February 2024 that it had executed a sale and purchase agreement (the “Agreement”) with Macquarie Mereenie (“Macquarie” or “Seller”) to acquire a 25% non-operated participating interest in the OL4 and OL5 development licences, Northern Territory, Australia, which contain the producing Mereenie conventional oil and gas field. The acquisition was executed together with New Zealand Oil and Gas (“NZOG”), an incumbent Mereenie joint venture partner, who acquired a further 25% participating interest in OL4 and OL5 from Macquarie on identical terms.

The effective date of the transaction is 1 April 2023, with revenues earned and costs incurred during the period from effective date to completion adjusted against the initial cash consideration of A\$42.5 million (~US\$27.6 million). Funding for the initial cash consideration is from a new A\$42.5 million senior debt facility which was recently executed with Macquarie Bank as per Horizon’s announcement on 4 June 2024. Financial close and drawdown of the facility occurred earlier today to enable completion of the acquisition.

Central Petroleum remains as operator of the Mereenie joint venture and manages the gas sales function on behalf of Horizon, New Zealand Oil & Gas and Cue under a joint marketing agreement.

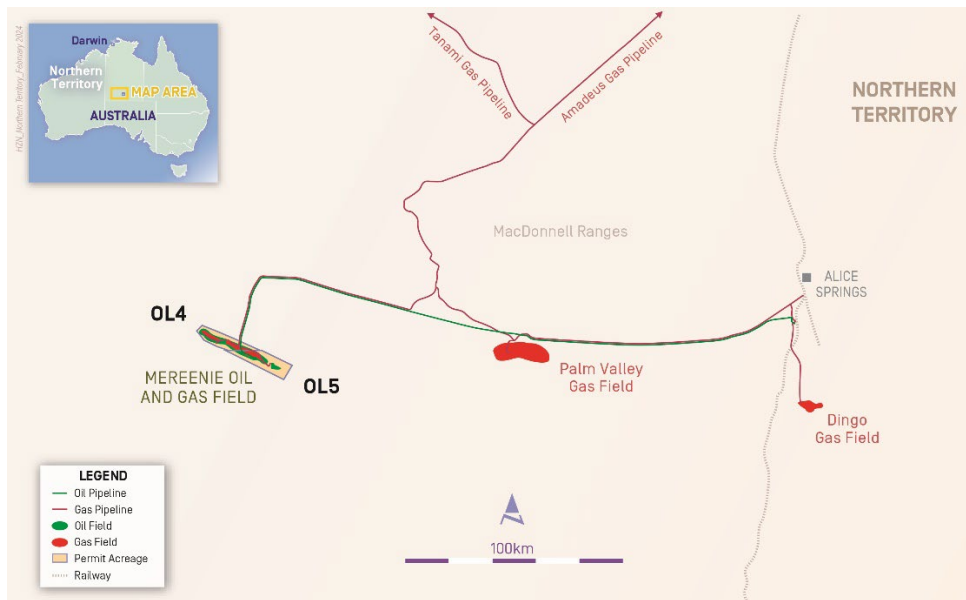


Figure 1 – Location of OL4 and OL5 development licences, Northern Territory, Australia, which contain the Mereenie conventional oil and gas field

## Reserves, resources and production

Horizon's Mereenie reserves and resources at the 1 April 2023 effective date, at financial year end (30 June 2023) and at acquisition completion (30 June 2024) are shown in the tables below:

	as at 1 April 2023 effective date	Production 1 April 2023 – 30 June 2023	As at 30 June 2023	Production 1 July 2023 – 11 June 2024	As at 11 June 2024	
	[PJ]	[PJ]	[PJ]	[PJ]	[PJ]	mmboe
1P	23.1	0.6	22.5	2.0	20.5	3.5
2P	34.7		34.1		32.1	5.5
2C	45.6	-	45.6		45.6	7.8

Figure 2 – Mereenie 1P, 2P Developed gas reserves and 2C gas resources (Horizon 25% net equity) at 1 April 2023 effective date, at financial year end (30 June 2023) and estimate at acquisition completion (11 June 2024)

	as at 1 April 2023 effective date	Production 1 April 2023 – 30 June 2023	As at 30 June 2023	Production 1 July 2023 – 1 June 2024	As at 11 June 2024	
	[mmbbl]	[mmbbl]	[mmbbl]	[mmbbl]	[mmbbl]	mmboe
1P	0.3	0.03	0.3	0.02	0.2	0.2
2P	0.4		0.4		0.3	0.3
2C	0.05	-	0.05		0.05	0.05

Figure 3 – Mereenie 1P, 2P Developed oil reserves and 2C oil resources (Horizon 25% net equity) at 1 April 2023 effective date at financial year end (30 June 2023) and estimate at acquisition completion (11 June 2024)

Developed reserves have been estimated using deterministic reservoir simulation models, anticipated gas and oil prices and expected capex/opex forecasts. Contingent resources have been estimated using deterministic volumetric methods and include Stairway and Pacoota reservoirs.

The acquisition will increase the Horizon 2P (proved and probable) reserves by 6.4 million barrels of oil equivalent as at an effective date of 1 April 2023 (6.3 mmbbl 2P reserves as at 30 June 2023, an increase of ~129% compared to the Company's 30 June 2023 2P reserves position of 4.9 million barrels of oil equivalent), and the Company's 2C (contingent resources) by 7.9 million barrels of oil equivalent, an increase of ~114% compared to the company's 30 June 2023 contingent resource position of 6.9 million barrels of oil equivalent. Based on current Mereenie rates, the Company's daily production rate will increase by ~1,100 boepd.

Horizon CEO Richard Beament commented:

*"We are delighted to finalise the Mereenie acquisition and add a third production asset to our portfolio - complementing, diversifying and expanding our production base. As previously noted, the acquisition plays to Horizon's strengths as a non-operator, being also right sized, largely self-funded and with material upside.*

*Based on current production rates at Mereenie, the acquisition will materially increase Horizon's net daily production by approximately 1,100 boepd, and more than doubled the Company's 2P reserves position at 30 June 2023.*

*The asset provides the Company with material exposure to both the Northern Territory and East Coast gas markets, both of which are forecast to have significant supply side opportunities. With domestic gas recognised as key to the energy transition, Mereenie has a strong part to play in providing essential energy to miners and other industrial users to support the energy transition.*

*The acquisition is expected to meaningfully increase net operating cash flow over the next 5+ years and provide a production base beyond the expiry of our existing assets. We look forward to working with the Mereenie JV participants to further unlock the remaining value in the asset, with planning already underway for a potential two well development drilling program later this calendar year (subject to JV and regulatory approvals, and rig availability)."*

From today the composition of the Joint Venture is:

<b>Mereenie Joint Venture participants:</b>	
Central Petroleum (Operator)	25.00%
Horizon Oil	25.00%
New Zealand Oil and Gas	42.50%
Cue Energy Resources	7.50%
<b>Total</b>	<b>100.00%</b>

## Notes:

- 1 All estimates are prepared in accordance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS) revised 2018.
- 2 Relevant terms used in this statement, capitalised or otherwise, have the same meaning given to those terms in the SPE PRMS.
- 3 Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
- 4 Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
- 5 Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.
- 6 Petajoule reserves have been converted to oil 5.816 PJ/mmboe
- 7 Liquids are equal to the total of oil, condensate and natural gas liquids where 1 barrel of condensate or natural gas liquids equals 1 barrel of oil.
- 8 Raw Gas is natural gas as it is produced from the reservoir which may include varying amounts of heavier hydrocarbons which liquefy at atmospheric conditions, water vapor and other non-hydrocarbon gases such as hydrogen sulphide, carbon dioxide, nitrogen or helium.
- 9 Sales Gas represents volumes that are likely to be present a saleable product. Sales Gas are reported assuming average values for fuel, flare and shrinkage considering the variable reservoir fluid properties of each constituent field on an energy basis the customary unit is PJ. PJ means petajoules and is equal to  $10^{15}$  joules.
- 10 Reported estimates of petroleum reserves and contingent resources have been prepared using the deterministic method and aggregated by arithmetic summation. 1P reserves and 1C contingent resources reported beyond the field, property or project level aggregated by arithmetic summation may be a very conservative estimate due to the portfolio effects of arithmetic summation.
- 11 Estimates are reported according to Horizon Oil's economic interest, this being Horizon Oil's net working interest as adjusted for entitlements (Economic Interest adjustment) under production-sharing contracts and risked-service contracts; and are reported net of royalties and lease fuel up to the reference point. Reference points for Horizon's petroleum Reserves and Contingent Resources and production are defined points where normal operations cease, and petroleum products are measured under defined conditions prior to custody transfer.
- 12 Horizon Oil employs a Reserves Management System to ensure the veracity of data used in the estimation process. This process includes review by senior staff where data is endorsed for inclusion in the estimating process. Estimates are reviewed annually, at a minimum, with interim reviews as required, to respond to any material changes. Horizon Oil undertakes semi-regular external reviews to complement its own internal process.
- 13 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 Masters 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.
- 14 Some totals in the tables may not add due to rounding.

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