

18 June 2024

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

MST FINANCIAL OIL & GAS WEBINAR - INVESTOR PRESENTATION NOTICE

Please find attached the presentation to be given by Horizon Oil Limited's CEO, Richard Beament, to investors and shareholders at the MST Financial Oil & Gas webinar on Wednesday 19 June 2024 at 2pm AEST.

To join the presentation, please [click the webinar link here](#).

Authorisation

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



MST FINANCIAL OIL & GAS WEBINAR

19 JUNE 2024



COMPLIANCE STATEMENT & IMPORTANT INFORMATION



- ▶ 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. For the Mereenie transaction, Australian to United States dollar conversion assumes an AUD:USD exchange rate of 1:0.65.
- ▶ Some totals in tables and charts may not add due to rounding.
- ▶ Unless otherwise stated, all petroleum reserves and resource estimates for China Block 22/12 and New Zealand PMP 38160 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 Mereenie:
 - ▶ 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.
 - ▶ 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.
 - ▶ 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 10¹⁵ joules. Petajoule reserves have been converted to oil 5.816 PJ/mmboe
- ▶ 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 Masters 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, Mereenie acquisition market release dated 14 February 2024, and other ASX Announcements.



MAXIMISE FREE CASHFLOW¹

- ▶ Generated EBITDAX for the 2023 calendar year of US\$95.3 million, with net cash at period end of US\$45.1 million
- ▶ Record 2023 calendar year production and sales volumes of in excess of 1.7 mmbbls, driven by Block 22/12 WZ12-8E field development, infill drilling and workover campaign
- ▶ Record premiums achieved on Maari crude oil sales with successful workover operations sustaining gross production back above 5,000 bopd during the second half of the year
- ▶ Continued strong cost control - cash operating costs averaged <US\$20/bbl for the calendar year despite inflationary pressures



FURTHER DISTRIBUTIONS TO SHAREHOLDERS

- ▶ Interim FY24 dividend announced of AUD 1.5 cents per share (total return of ~AUD 24 million) – to be paid in April 2024
- ▶ Final FY23 dividend paid in October 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 three years whilst still investing in growth and fully repaying the Group's debt facilities
- ▶ Regular distributions continue to be a priority



CONTINUE INVESTING IN PRODUCTION GROWTH

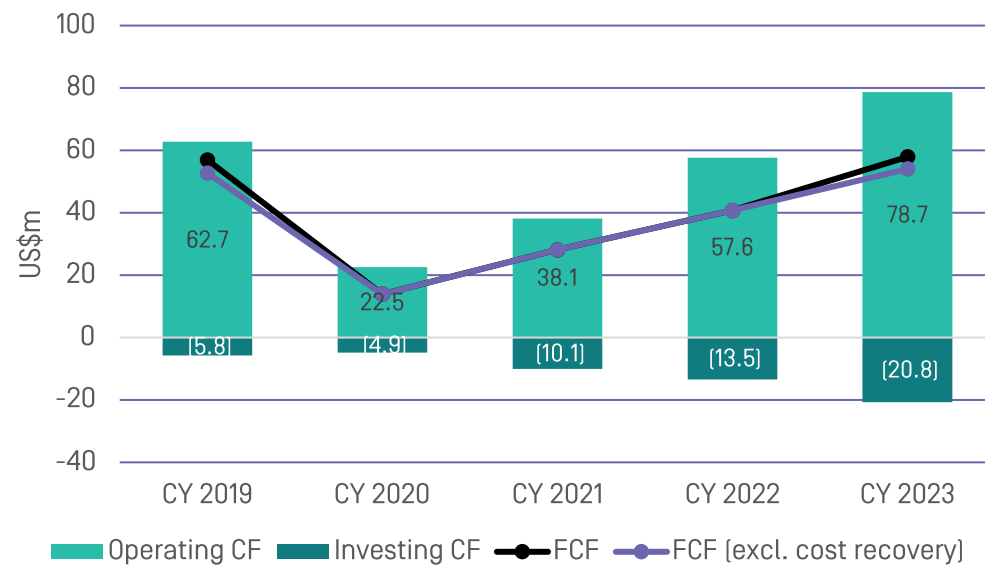
- ▶ Focus on developing the Company's substantial inventory in contingent and prospective resources with near term priorities –
 - ▶ Block 22/12 infill and appraisal opportunities, and water handling upgrades
 - ▶ Maari workover operations
 - ▶ Maari life extension studies
- ▶ Keeping an eye out for exceptional new business opportunities – executed proposed Mereenie acquisition

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

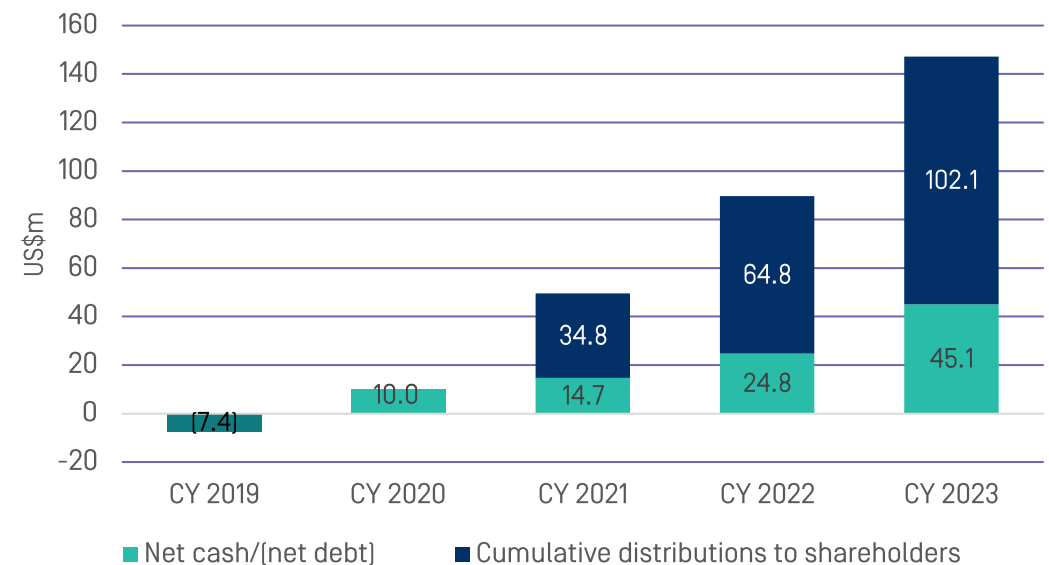
RECORD CALENDAR YEAR FREE CASHFLOW



FREE CASH FLOW¹



NET CASH/(NET DEBT)



Record calendar year free cash flow despite material investments in our low-cost producing Block 22/12 asset, demonstrating the short payback period for production growth opportunities in Block 22/12

Net cash of \$45.1 million at 31 December 2023 following ~US\$37.3 million in shareholder distributions paid during the calendar year. Cumulative distributions of over US\$100 million paid over the past 3 calendar years.

¹ Free Cash Flow represents cash flows from operating activities less investing cash flows, inclusive of hedge settlements

BLOCK 22/12: SOLID PRODUCTION PERFORMANCE CONTINUES, RESERVES REPLACEMENT PLANS MATURING

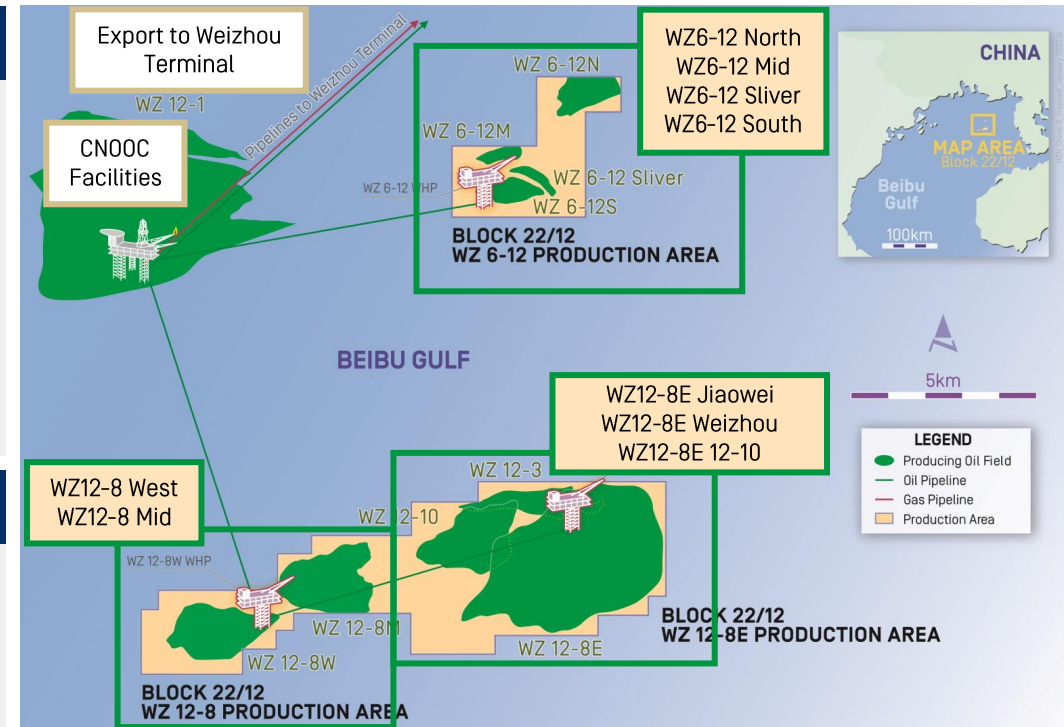


ASSET OVERVIEW

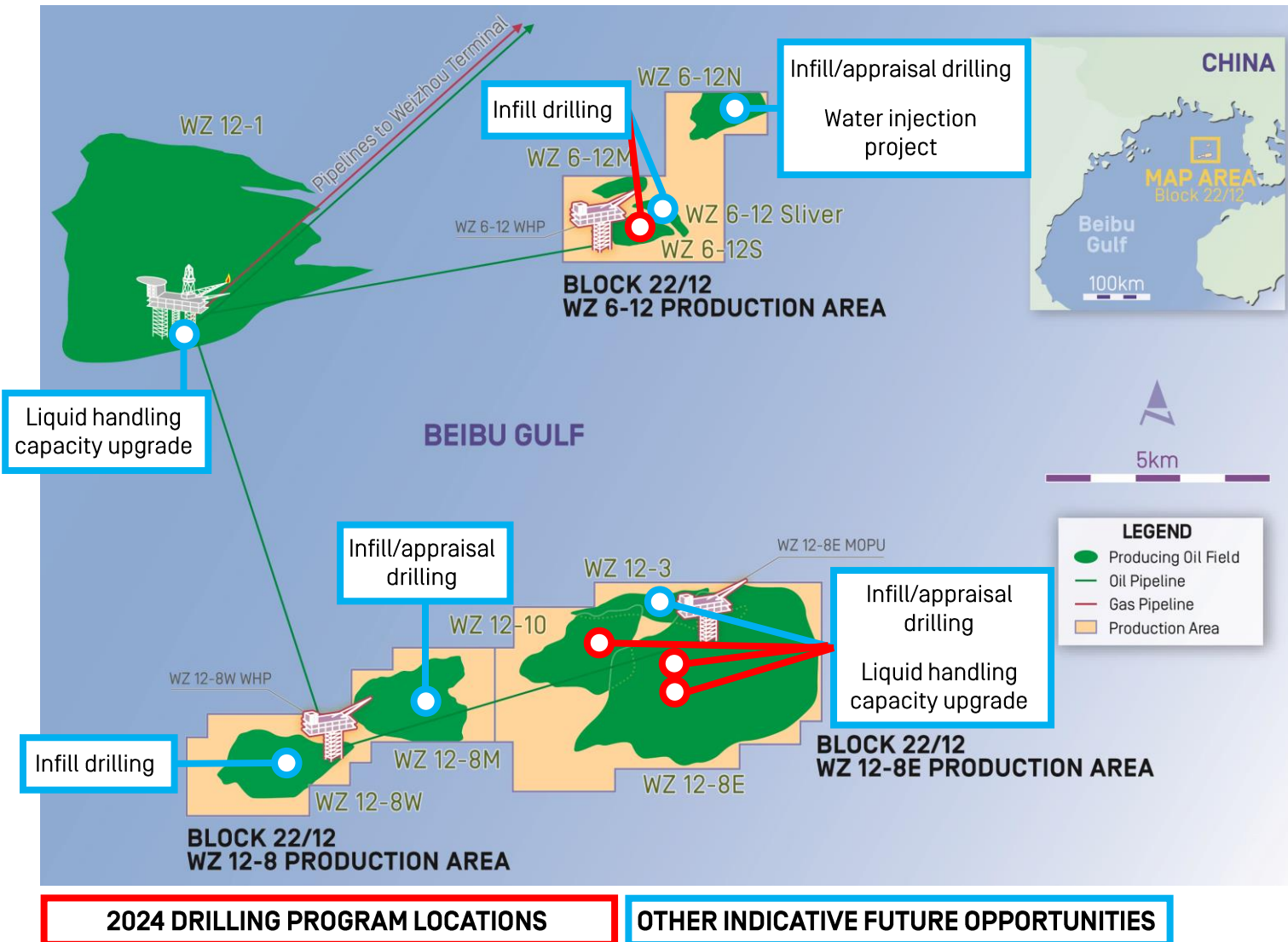
- ▶ Block 22/12, Beibu Gulf, China, 26.95%
- ▶ JV: CNOOC (51% - Block 22/12 Operator), Roc Oil (19.6%), Oil Australia Pty. Ltd. (2.45%)
- ▶ Block 22/12 generates approximately 65% of Horizon operating cashflow
- ▶ Low cash operating costs less than \$20/bbl produced for the half year
- ▶ WZ6-12 and WZ12-8W field abandonment costs prepaid into a sinking fund, WZ12-8E field abandonment costs to be paid from production

HIGHLIGHTS

- ▶ Block 22/12 production declined naturally as anticipated across all the main producing fields, with H1 FY24 average of over 10,400 bopd gross (~2,800 bopd net)
- ▶ A three well workover campaign was successfully concluded subsequent to the end of HY24, comprising activities to restore production from two inactive wells and preparatory work on a third inactive well to enable side-tracking during the four well drilling program which started in May 2024.
- ▶ JV is continuously identifying and evaluating infill well and infrastructure led opportunities which aim to support material reserves replacement over the longer term, including further infill wells and liquid handling capacity upgrade initiatives across the project area.



BLOCK 22/12: INDICATIVE FUTURE OPPORTUNITIES*

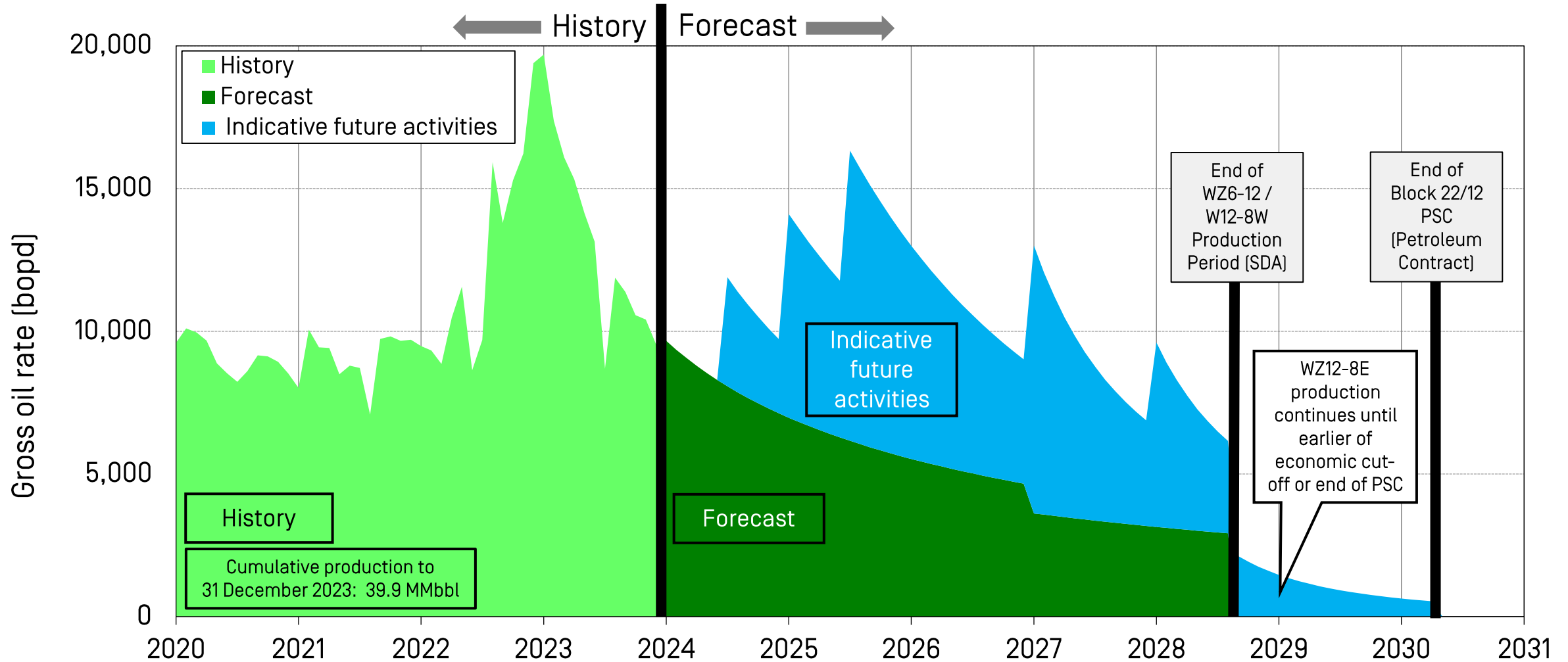


INDICATIVE FUTURE OPPORTUNITIES

- ▶ The Block 22/12 joint venture started a four well drilling program in May 2024, focused on the WZ12-8E and WZ6-12 fields. Drilling is expected to take three months.
- ▶ The joint venture also continues to focus on liquid handling capacity upgrade initiatives across the Project area with the aim of reducing overall oil production decline.
- ▶ 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

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

BLOCK 22/12: HISTORY & FORECAST [GROSS] FROM 1 JAN 2024



Future activities remain subject to further technical and economic evaluation, JV and regulatory approvals.
 Historical data on chart to 31 December 2023.
 All data on this slide (history, forecast, cumulative production) is gross unless otherwise stated.

MAARI: PRODUCTION REMAINS STABLE; LICENCE EXTENSION APPLICATION THIS CALENDAR YEAR

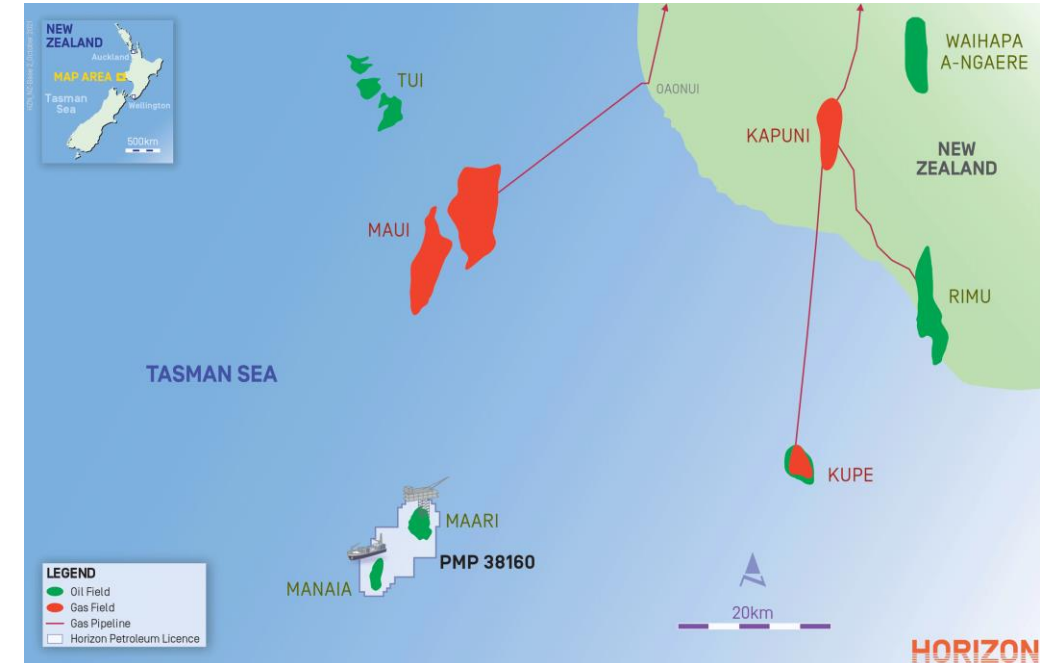


ASSET OVERVIEW

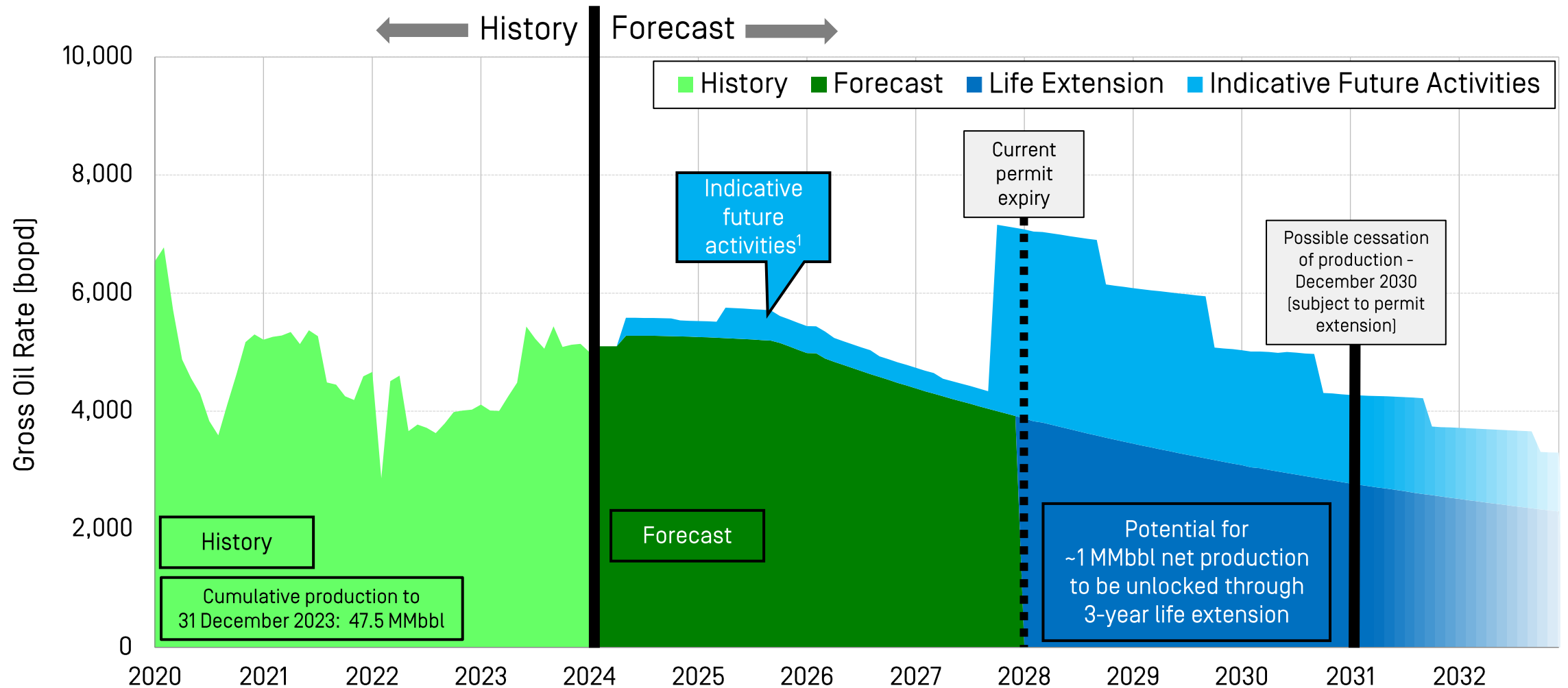
- ▶ Maari, New Zealand, 26%
- ▶ JV: OMV [69% - Operator], Cue Energy [5%]
- ▶ Maari/Manaia generates approximately 35% of Horizon operating cashflow
- ▶ Maari crude continues to attract strong premiums with an average premium to dated Brent of ~US\$6/bbl for the half year
- ▶ Cash operating costs for the half-year remained at ~\$25/bbl produced for the half year

HIGHLIGHTS

- ▶ HY24 production averaged above 5,100bopd gross (~1,300 bopd net) following the successful workover of the Manaia-1 well. Natural field decline during the half year was substantially offset by a combination of a successful MR2A workover, ongoing water injection support and the maintenance of high facility uptime
- ▶ Near-term focus to reinstate MR6A production
- ▶ The Operator received the FPSO class extension certificate which allows the facility to operate for a further five years through to April 2028
- ▶ Works to extend field life beyond the current December 2027 permit expiry continues – lodgment of licence extension application expected later this calendar year
- ▶ Provisioning of decommissioning funding continued during the half-year



MAARI: HISTORY & FORECAST [GROSS] FROM 1 JAN 2024

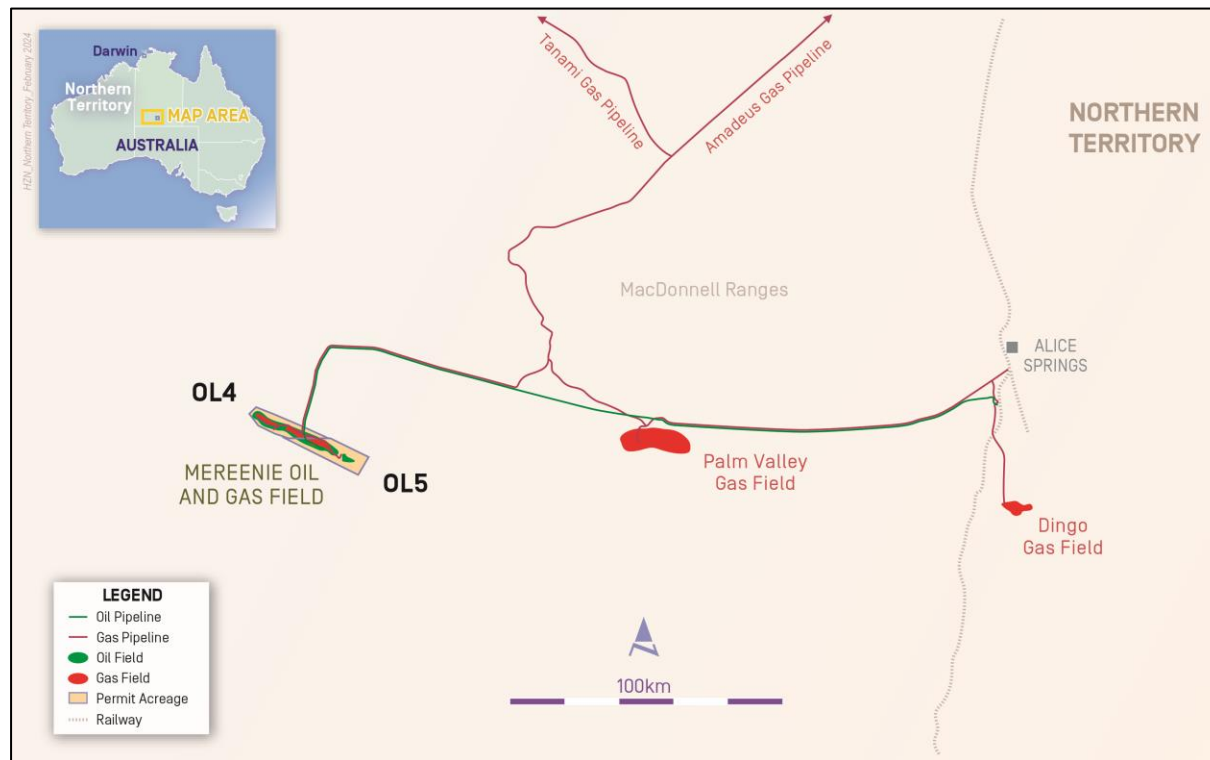


¹Likely requires permit extension to be commercially viable
 Future activities remain subject to further technical and economic evaluation, JV and regulatory approvals.
 Historical data on chart to 31 Jan 2023.
 All data on this slide (history, forecast, cumulative production) is gross unless otherwise stated.

MEREENIE: INVESTMENT THESIS

ACQUISITION DELIVERS EXPOSURE TO ATTRACTIVE DOMESTIC GAS MARKETS AND ENHANCES HORIZON'S CAPITAL MANAGEMENT POTENTIAL

- ▶ Initial purchase price of US\$27.6 million¹ [A\$42.5 million] funded from debt, with deferred and contingent milestone payments of up to US\$5.8 million¹ [A\$9 million] funded from cashflows over the next 24 months. Represents an acquisition cost of US\$5.3/boe [2P].
- ▶ Transaction enables the Company to maintain its current distribution strategy, while enhancing cashflows and diversifying and growing the production base.



- ▶ Entry into a Tier 1 oil and gas jurisdiction with strong market demand
- ▶ Cash accretive producing asset, with 2P reserves forecast generating over 20% IRR at modest gas prices
- ▶ Substantially debt funded - financing structure ensures the ability to continue the distribution strategy
- ▶ Diversifies and grows Horizon's production base by adding a third producing asset
- ▶ Diversifies product mix with the addition of gas, key to the energy transition
- ▶ Several significant infrastructure-led opportunities provide running room

¹Assumed AUD:USD exchange rate of 1:0.65

MEREENIE: TRANSACTION HIGHLIGHTS



MEREENIE IS A HIGH MARGIN AND LOW-COST CONVENTIONAL OIL & GAS PROJECT WHICH IS LINKED TO THE EAST COAST GAS MARKETS VIA THE NORTHERN GAS PIPELINE (NGP). THE PROJECT HAS A TRACK RECORD OF STABLE PRODUCTION AND CASH FLOWS

CONVENTIONAL PRODUCING ONSHORE GAS ASSET WITH STABLE, LONG-TERM PRODUCTION

- ▶ 25% non-operated interest in Mereenie
- ▶ 1,150 boepd net production ~7.5TJ/d, 60 bopd
- ▶ Stable high-margin operating cashflows from sustained production
- ▶ Production licence to 2044, forecast to be economic to 2048+

STRATEGIC ASSET POSITION IN AUSTRALIAN NT & ACCESS TO EAST COAST

- ▶ Mereenie is linked to both the high demand Northern Territory and East Coast gas markets via the AGP and NGP
- ▶ Recent offtake agreement with Arafura Rare Earths Ltd demonstrates Mereenie's strategic value in supporting the energy transition

HIGH QUALITY CONTRACT COUNTERPARTIES

- ▶ Significant near-term contracted offtake which underpins purchase price and debt facility
- ▶ Substantial long-term uncontracted capacity to take advantage of market conditions

FULLY FUNDED

- ▶ Headline cash consideration US\$27.6 million [A\$42.5 million], effective 1 April 2023, with deferred/contingent payments of US\$5.8 million [A\$9 million] payable over 24 months
- ▶ Headline cash consideration fully funded from new 5-year Macquarie debt facility

MATERIAL RESERVES UPGRADE & RUNNING ROOM

- ▶ 6.3 MMboe 2P reserves as at 30 June 2023 [34.1PJ gas, 0.4MMbbls oil], an increase of ~129% compared to the Company's June 30 2023 reserves position
- ▶ Several significant infrastructure-led opportunities

FITS THE STRATEGY

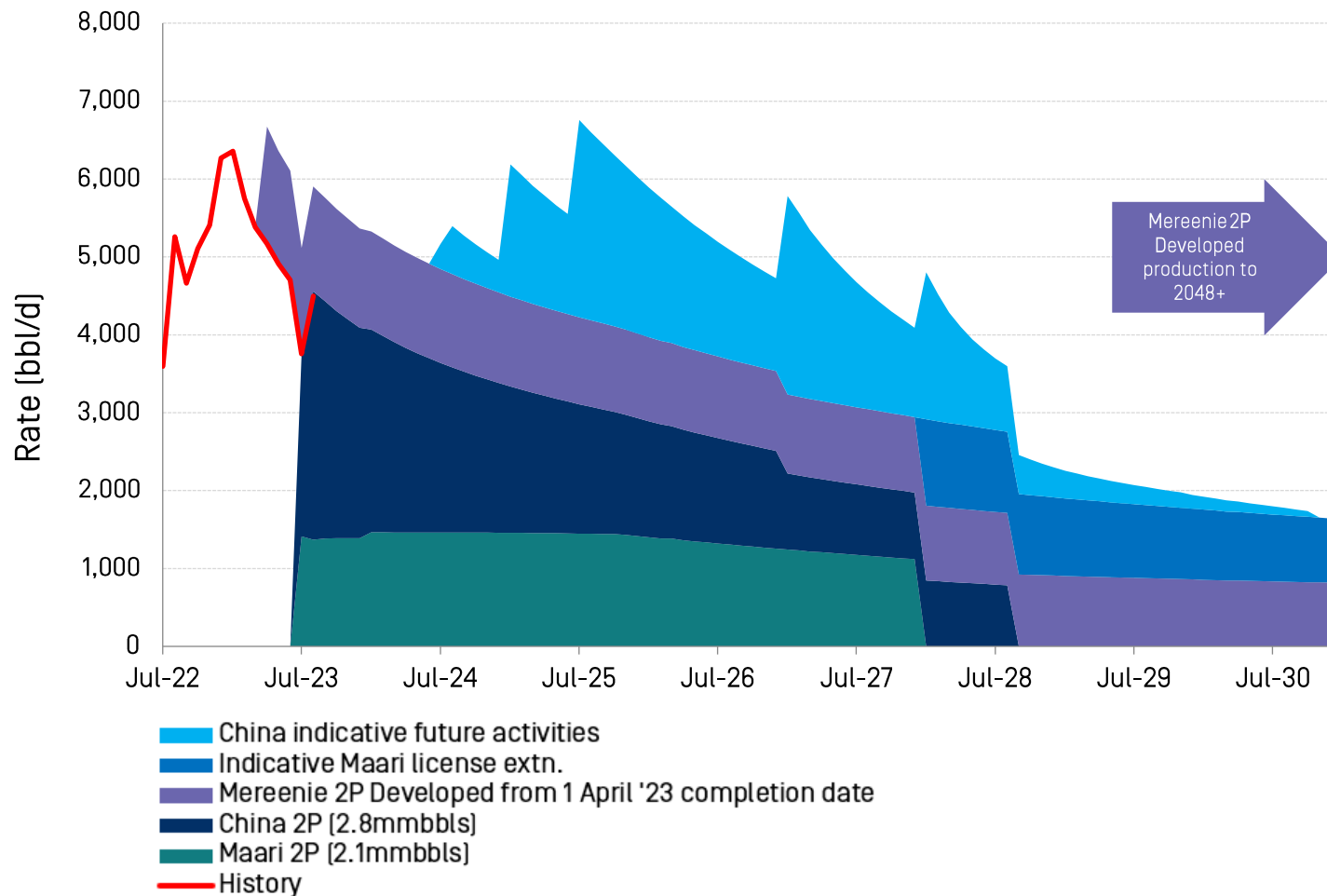
- ▶ Grows and diversifies production base
- ▶ Funding structure enables the continuation and potential enhancement of our distribution strategy

MEREENIE : STABLE PRODUCTION & MATERIAL IMPACT ON THE PORTFOLIO

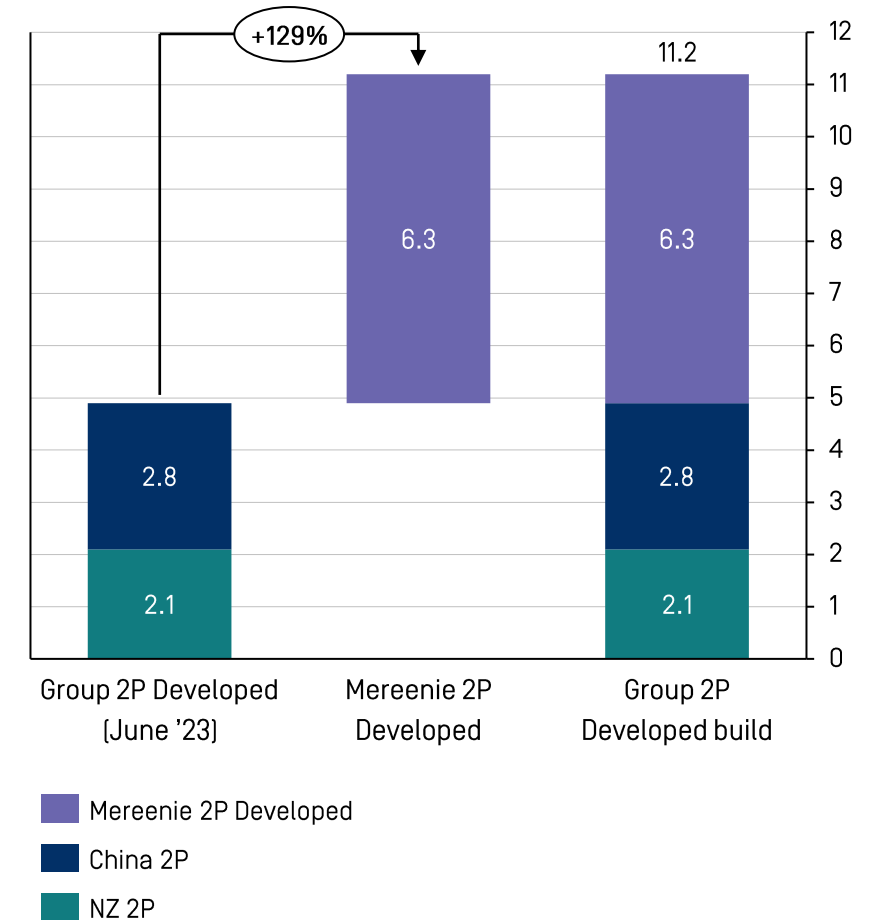


MEREENIE - MATERIAL INCREASE IN GROUP RESOURCES AND PRODUCTION, OFFSETING DECLINE IN OTHER ASSETS

GROUP PRODUCTION FORECAST TO 2030, BOEPD



GROUP 2P DEVELOPED BUILD, MMBOE



A STRONG END TO THE FINANCIAL YEAR ANTICIPATED - DRIVEN BY PRODUCTION AND OIL PRICE

Production
1.4 – 1.5
million barrels

- ▶ Production additions in Block 22/12 from proposed WZ6-12/12-8E infill wells and workovers expected to provide production benefit towards the end of the financial year

Sales
1.25– 1.35*
million barrels

- ▶ Sales volumes forecast to be lower than production for the period due to the forecast timing of Maari liftings

Revenue
US\$110 - 120
million

- ▶ Revenue expected to be supported by continued higher oil prices
- ▶ Forecast assumes oil prices maintained at around US\$80/bbl

EBITDAX
US\$62.5 – 72.5
million

- ▶ Continued focus on cost control and other initiatives to maximise earnings

^ sales guidance updated on 8 May due to deferral of Maari lifting

* The above guidance represents forward looking statements. Such statements relate to future events, such as oil price movements, and as such involve known and unknown risks and uncertainties. Actual results, actions and development may differ materially from those expressed or implied by these forward-looking statement depending on a variety of factors. Refer to disclaimer slide at the beginning of this presentation.

* Guidance also excludes the impact of the proposed Mereenie transaction.

HORIZON

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