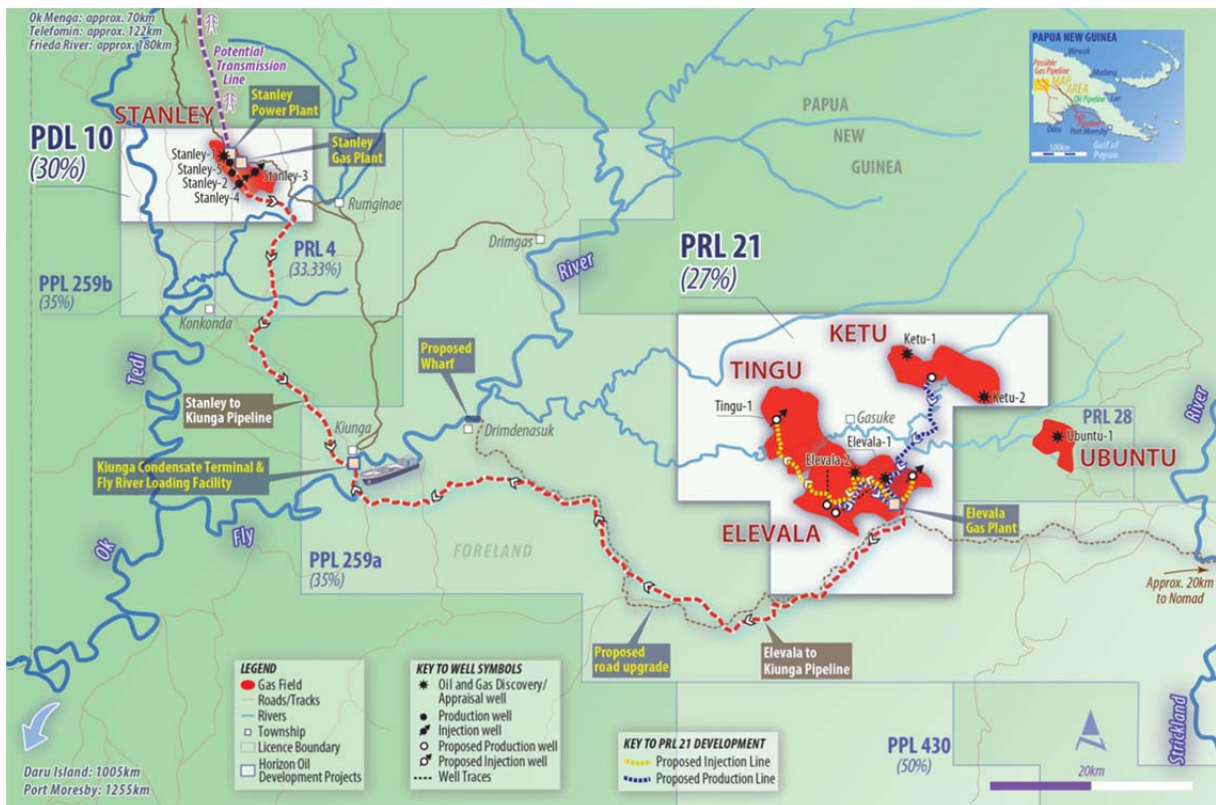


5 December 2014

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

HORIZON OIL (HZN) ADVISES SPUD OF NAMA-1 EXPLORATION WELL IN PAPUA NEW GUINEA

Horizon Oil advises that the Nama-1 exploration well in PPL 259, Western Province, Papua New Guinea, spudded at 1000 hrs local time on 4 December 2014. The current operation is running in the 18 5/8" casing following drilling of the 24" conductor hole. The well is being drilled by Horizon Oil with Parker *Rig 226* and is anticipated to take about 36 days to drill to a planned total depth of 3,434m.

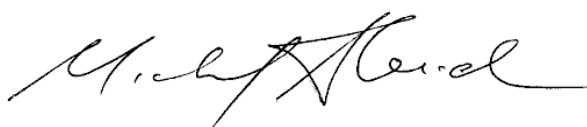


Nama-1 is located 20 km due east of the Stanley Development, in which all wells found condensate- rich gas in the Late Jurassic Kimu and Early Cretaceous Toro Sandstones.

If successful, the Nama prospect has the potential to be about the same size as the Stanley field (certified at 399 bcf of gas and 13 mmbbl condensate).

Participants	Interest
Ketu Petroleum Limited (a subsidiary of Horizon Oil Limited)	35%
Eaglewood Energy (BVI) Ltd	45%
Osaka Gas Niugini E&P Pty Ltd	10%
Mega Fortune International Limited	10%

Yours faithfully



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