QUARTERLY REPORT

PERIOD ENDING 31 DECEMBER 2024 (ASX:HZN)

HIGHLIGHTS

MEREENIE INFILL WELL SUCCESS

- Mereenie development well WM29 commenced drilling in early December, with completion and tie-in achieved after quarter end, in mid January 2025. Production commenced on 20 January 2025 with an initial production test rate in excess of pre-drill expectations.
- Mereenie field production following WM29 startup has increased by more than 15% to around 30 TJ/d gross, with the additional gas volumes sold into the tight NT domestic market under the recently signed gas sales agreements.
- Work on a second development well WM30 has commenced with the well currently drilling ahead and expected to be completed and brought onto production in late February 2025.

STEADY PRODUCTION & CASH BUILD UNDERWAY

- Production volumes for the quarter were 411,687 boe across all assets, with an increase in Maari and Mereenie production partially offsetting the expected decline in Block 22/12 following the successful mid-2024 infill drilling, and unplanned well downtime in both Maari and Beibu. Workover activity at Block 22/12 is underway to restore and further optimise production. The 2024 calendar year production was 1,512,689 boe.
- Sales volumes were 408,817 boe for the quarter and 1,382,647 boe for the 2024 calendar year.
- Revenue from production for the quarter was US$26.5 million (inclusive of hedge settlements) and US$101.2 million for the full calendar year 2024.
- Net operating cash flow[1] for the quarter was US$16.5 million.
- Cash reserves at the end of the quarter was US$47.3 million following the ~US$17.0 million dividend payment in October, with net cash[2] at 31 December 2024 of US$22.5 million.

PAYMENT OF FINAL DIVIDEND

- FY24 Final Dividend of AUD 1.5 cents per share was paid during the quarter on 25 October 2024.
- Following payment of the FY24 Final Dividend, cumulative distributions paid over the past four years now stand at more than A$200 million.

[1] Net operating cashflow represents total revenue less direct production operating expenditure (including workover costs).
[2] Net cash is non-IFRS financial information and represents cash on hand minus the nominal value of debt outstanding. This metric is widely used in the oil and gas industry.

CHIEF EXECUTIVE OFFICER'S COMMENTARY

This was another positive quarter for the Company, with the recent infill drilling success at Mereenie soon after completing the acquisition providing a welcome production boost to start the new calendar year, with the additional production from the WM29 coming at an opportune time for both the NT and the Mereenie Joint Venture. The initial production results from WM29 bode well for the next well in the program, WM30, and further support the strategic merit of the Mereenie acquisition. Infill wells such as these are highly accretive, and the success of this drilling program provides greater confidence in maturing further infill and appraisal drilling targets.

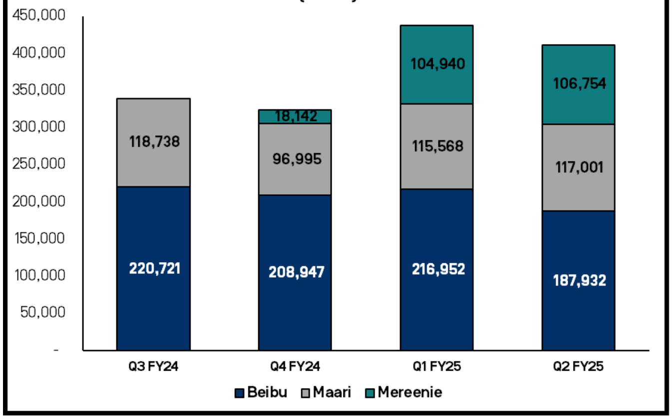
Maari production continued to be robust during the quarter and we were delighted to see the MR6a well brought back online. Whilst Block 22/12 production was impacted by two wells requiring workover, one well has already been brought back into production, with a workover program underway to replace a downhole Electic Submersible Pump (ESP) in the second well. This workover program will also target incremental production through a perforation job to access a behind pipe opportunity, and through the conversion of a currently shut-in well into a closed loop water injector. A water handling capacity upgrade project at Block 22/12 continues to progress and plans are maturing for further infill drilling later in CY25.

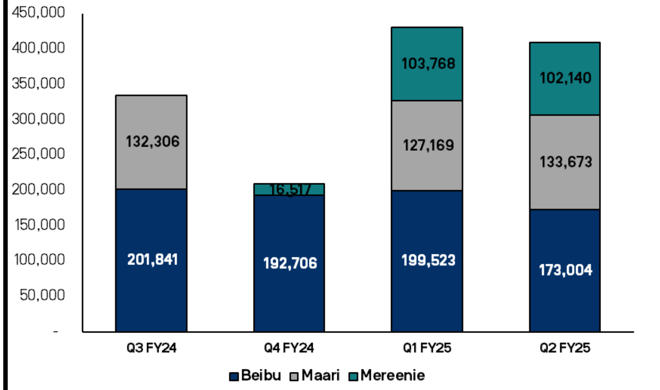
The balance sheet remains strong with net cash of US$22.5 million at quarter end, with cash reserves continuing to be replenished following the payment of the final dividend for FY24 totalling approximately US$17 million. The Company remains in a strong financial position with sustained high oil prices and production ensuring we can continue to execute our strategy of realising value for shareholders.

Richard Beament
Chief Executive Officer

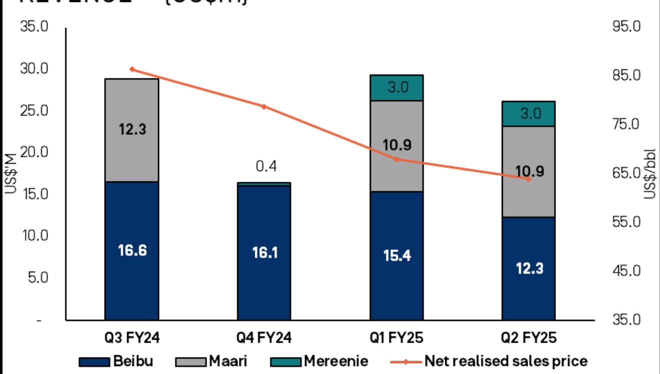
COMPARATIVE PERFORMANCE

PERIOD ENDING 31 DECEMBER 2024

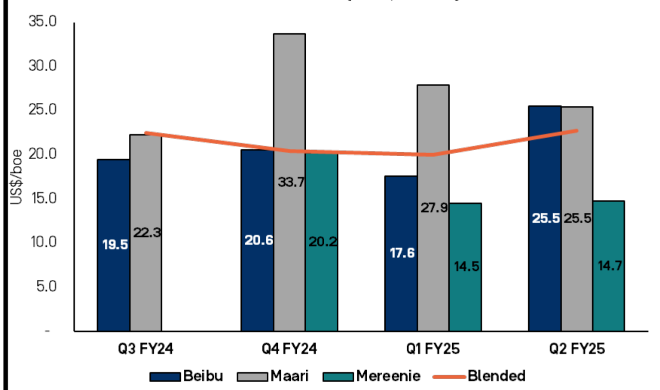




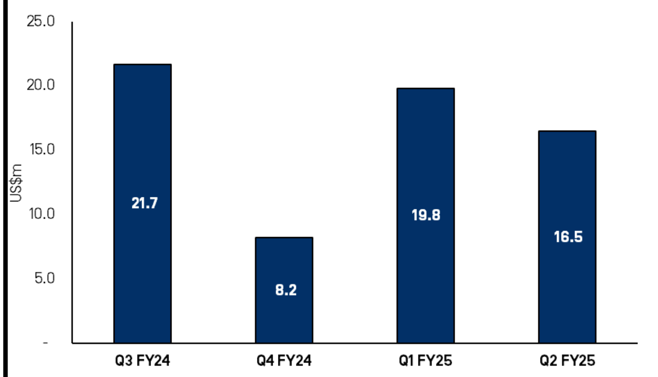
[1] no Maari lifting in Q4 FY24, lifting took place July 2024



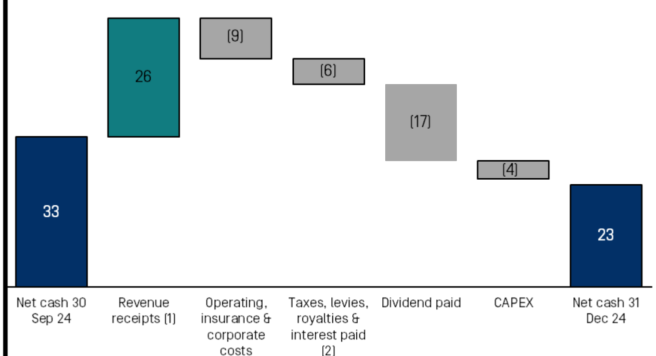
[1] excluding hedge settlements
[2] no Maari lifting in Q4 FY24, lifting took place July 2024



[1] excluding workover expenditures



[1] operating cash flow represents cash in-flows from revenue less operating expenditure



[1] Cash receipts generally have a one-month lag from the point of revenue recognition.
[2] Quarterly China income tax and special oil gain levy, Maari quarterly income tax and royalty payment.

Notes:

(a) Financial results contained in this quarterly are unaudited.

(b) Statements contained in this report, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Horizon, 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.

FINANCIAL SUMMARY

OIL PRODUCTION & SALES	Q2 FY25 BBLS	Q1 FY25 BBLS	CHANGE %	CALENDAR YEAR 2024 BBLS
BLOCK 22/12 (BEIBU GULF), OFFSHORE CHINA				
Crude oil production (NW)[1]	187,932	216,952	(13.4%)	834,552
Crude oil sales	173,004	199,523	(13.3%)	767,074
PMP 38160 (MAARI & MANAIA), OFFSHORE NEW ZEALAND				
Crude oil production (NW)[1]	117,001	115,568	1.2%	448,301
Crude oil inventory on hand	79,234	99,788	(20.6%)	79,234
Crude oil sales	133,673	127,169	5.1%	393,148
OL4 AND OL5, MEREENIE, ONSHORE AUSTRALIA[3]				
Crude oil production (NW)[1]	8,460	8,015	5.6%	17,910
Crude oil inventory on hand	4,650	4,230	9.9%	4,650
Crude oil sales	8,072	6,780	19.0%	14,852
TOTAL OIL PRODUCTION & SALES				
Crude oil production	**313,393**	**340,535**	**(8.0%)**	**1,300,763**
Crude oil sales	**314,749**	**333,472**	**(5.6%)**	**1,175,074**

GAS PRODUCTION & SALES	Q2 FY25 PJ	Q1 FY25 PJ	CHANGE %	CALENDAR YEAR 2024 PJ
OL4 AND OL5, MEREENIE, ONSHORE AUSTRALIA				
Gas production (NW)[1]	0.6	0.6	1.4%	1.2
Gas sales	0.5	0.6	(3.0%)	1.2
TOTAL GAS PRODUCTION & SALES				
Gas production	**0.6**	**0.6**	**1.4%**	**1.2**
Gas sales	**0.5**	**0.6**	**(3.0%)**	**1.2**

TOTAL OIL & GAS PRODUCTION & SALES	Q2 FY25 boe	Q1 FY25 boe	CHANGE %	CALENDAR YEAR 2024 boe
Oil & Gas production	**411,687**	**437,460**	**(5.9%)**	**1,512,689**
Oil & Gas sales	**408,817**	**430,460**	**(5.0%)**	**1,382,647**

Notes:

1 Production amounts are shown on a net working interest basis (NWI).

2 Amounts may not cast due to the rounding of balances.

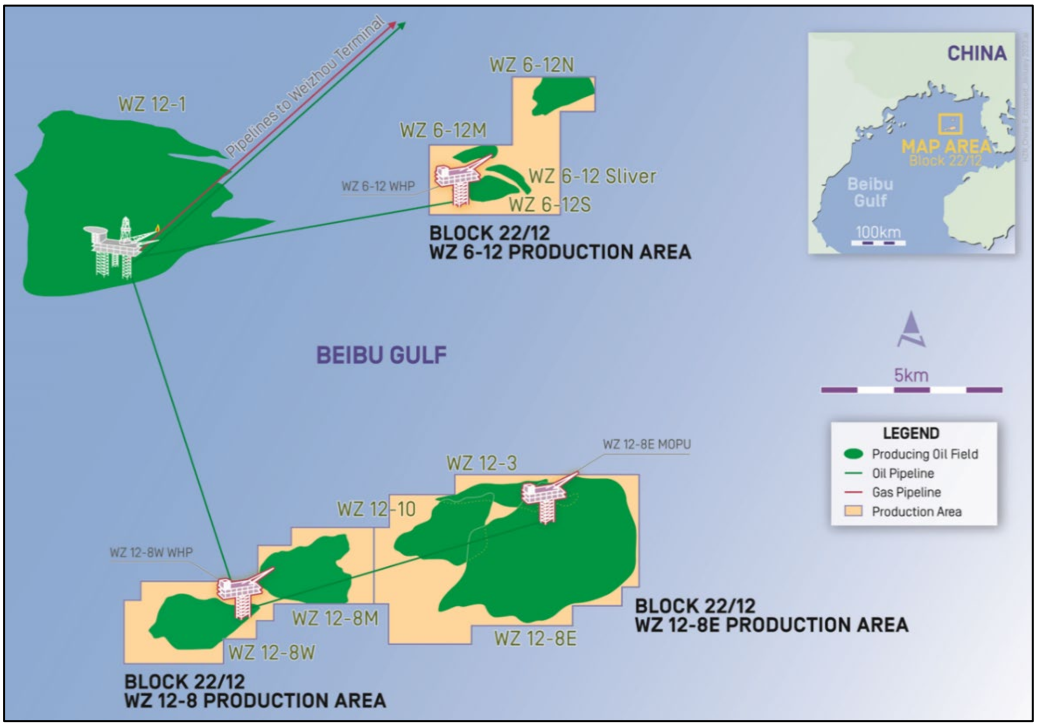
PRODUCING OIL & GAS PROPERTIES	Q2 FY25 US$'000	Q1 FY25 US$'000	CHANGE %	CALENDAR YEAR 2024 US$'000
BLOCK 22/12 (BEIBU GULF), OFFSHORE CHINA				
Production revenue[1]	12,334	15,440	(20.1%)	60,545
Operating expenditure	4,800	3,823	25.5%	17,228
Workovers	155	234	(33.7%)	827
Special oil gain levy	323	725	(55.5%)	3,213
PMP 38160 (MAARI & MANAIA), OFFSHORE NEW ZEALAND				
Production revenue[1]	10,923	10,904	0.2%	34,140
Operating expenditure	2,979	3,224	(7.6%)	12,109
Workovers	496	815	(39.1%)	1,500
Inventory adjustments[2]	1,896	453	>100%	(2,372)
OL4 AND OL5, MEREENIE, ONSHORE AUSTRALIA				
Production revenue	3,000	3,019	(0.6%)	6,409
Operating expenditure	1,572	1,519	3.5%	3,457
Inventory adjustments[2]	23	(23)	100%	(1)
TOTAL PRODUCING OIL & GAS PROPERTIES				
Production revenue[1]	**26,257**	**29,363**	**(10.6%)**	**101,094**
Oil hedging settlements	**203**	**35**	**>100%**	**110**
Total revenue (incl. hedging gains/losses)	**26,460**	**29,398**	**(10.0%)**	**101,204**
Direct production operating expenditure	10,001	9,615	4.0%	35,121
Net operating cash flow[3]	**16,459**	**19,783**	**(16.8%)**	**66,083**
DEVELOPMENT EXPENDITURES[4]				
PMP 38160 (Maari and Manaia), New Zealand	698	270		1,659
Block 22/12 (Beibu Gulf), offshore China	186	1,393		7,316
OL4 & OL5, (Mereenie), onshore Australia	474	213		687
Total capital expenditure	**1,358**	**1,876**		**9,662**
Cash on hand	**47,309**	**60,723**		**47,309**
Debt Facility[5]	**(24,782)**	**(27,632)**		**(24,782)**
NET CASH[6]	**22,527**	**33,091**		**22,527**

Notes:

1. Represents gross revenue excluding hedge gains and losses.
2. Represents an accounting adjustment for cost of crude oil inventory sold or produced during the period.
3. Represents total revenue less direct production operating expenditure (including workover costs).
4. No exploration activities were undertaken during the quarter.
5. Represents principal amounts drawn down at 31 December 2024, translated into USD at the period end spot exchange rate.
6. Net cash is non-IFRS financial information and represents cash on hand minus debt. This metric is widely used in the oil and gas industry.
7. Amounts may not cast due to the rounding of balances.

PRODUCTION

Block 22/12, Beibu Gulf, offshore China (Horizon: 26.95%)



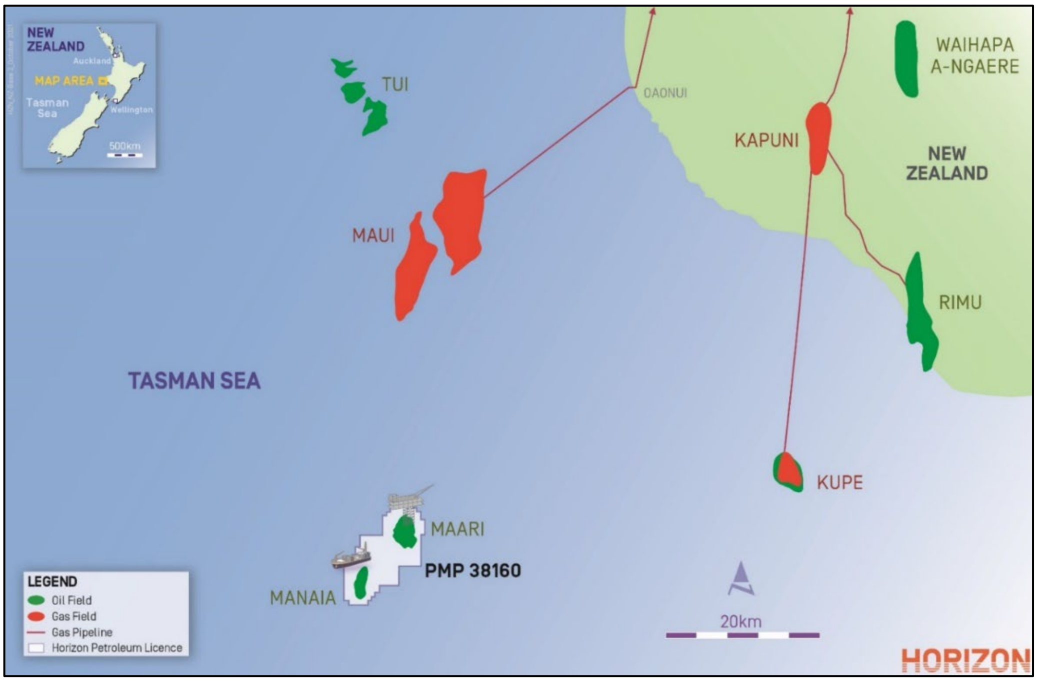
Gross oil production for the quarter averaged 7,580 bopd (2,043 bopd Horizon net), a ~13% decrease on the prior quarter reflecting the expected decline in Block 22/12 production following completion of the successful mid-2024 four well infill drilling campaign, and unplanned well downtime.

Net sales for the quarter were 173,004 bbls, generating revenue of US$12.3 million. Cash operating costs for the quarter were US$25.54/bbl (produced), excluding the costs of workovers.

Production during the quarter was impacted by unplanned well downtime, which resulted in the need for workovers on two wells. The first well was successfully worked over and brought back on to production in December, having been shut-in in early October due to a downhole Electric Submersible Pump (ESP) failure, while a workover on the second well is ongoing to also replace an ESP. This second well is part of a three well workover program started in January which will also target incremental production through a perforation job to access a behind pipe opportunity and through the conversion of a currently shut-in well into a closed loop water injector.

The Joint Venture also continues to mature CY25 work program activities, including liquid handling capacity upgrade initiatives and further infill drilling opportunities across the Project area.

PMP 38160, Maari/Manaia fields, Taranaki Basin, offshore New Zealand (Horizon: 26%)



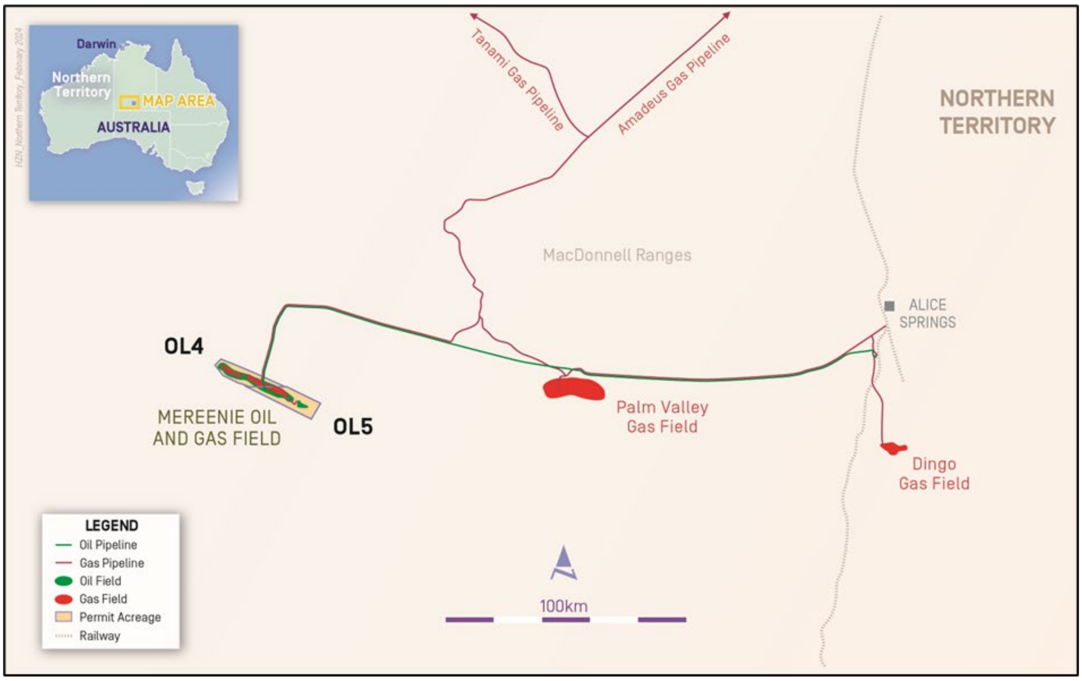
Maari maintained steady performance during the quarter, with oil production marginally higher than the previous period averaging 4,891 bopd gross (1,272 bopd Horizon net). With workover activity being completed on a number of wells during the quarter and with the MR6a well restarted, production subsequent to the quarter end for January to date has averaged in excess of 5,350 bopd gross (1,394 bopd Horizon net), the highest average monthly project rate since September 2023.

Cash operating costs averaged US$25.46/bbl produced for the quarter, excluding the costs of workovers. Net sales for the quarter were 133,673 bbls, generating revenue of US$10.9 million. Net crude oil inventory at 31 December 2024 was 79,234 bbls.

The MR6a well, which had been previously shut-in due to an unexpected change in the ESP performance, was successfully brought back on-line during the quarter. Well results continue to be encouraging with the Operator undertaking an extensive well testing and monitoring program in order to optimise production.

The PMP 38160 (Maari) license extension application is currently under review by the regulator, with various regulatory consents and stakeholder engagement processes underway. Whilst the regulatory approval process can take greater than 12 months, this is a significant milestone for the Joint Venture and comes at a time when energy security in NZ is in sharp focus.

OL4 and OL5, Mereenie, NT, Australia (Horizon: 25%)



Mereenie maintained steady performance during the quarter, with gas production and sales marginally higher than the previous quarter as production was maintained at near field capacity, due to the strong gas demand in the NT as temperatures increased into the hotter months and output from the Blacktip field decreased. Gross production for the quarter averaged 24.9 TJ/d (6.2 TJ/d Horizon net) of gas and 367 bopd (92 bopd Horizon net) of oil, generating revenues of US$3.0 million at an average realised gas price of ~AUD6.67/GJ. Realised gas prices are forecast to increase in the next quarter as legacy Gas Sales Agreements (GSA) roll off and are replaced with newer GSAs, such as the recently signed NT Government GSA which came into effect on 1 January 2025.

West Mereenie 29 (WM29), the first well in the two well Mereenie Development program, was drilled and cased across the shallower Stairway and Pacoota-1 Formations, with the casing shoe set at 1,213.4m TVDRT. Air-drilling continued to 1,326.3m TVDRT through the primary Pacoota-3 reservoir target, and the well was successfully completed and tied-in by 20 January. Subsequent to the WM29 tie-in, the Mereenie Field produced at almost 30 TJ/d (Horizon net 7.5 TJ/d).

West Mereenie 30 (WM30), the second development well in the Mereenie Development program, was spudded on 16 January at 08:00 Northern Territory time (ACST). This well is being drilled at a crestal location along strike to the west of WM29 and is designed to further increase Mereenie Field gas production. To date the well has been drilled to 1,108m MDRT and is drilling to a prognosed Total Depth of 1,674m MDRT.

Together with the WM29 development well, WM30 is expected to boost Mereenie gas rates, enabling the Joint Venture to supply additional gas volumes into the recently executed NT Government GSA.

The Joint Venture continues to focus on additional 2025 work program activities, including further infill and appraisal drilling opportunities.

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. 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 they appear in this statement.

Authorisation

This ASX announcement is approved and authorised for release by the Company Secretary on 30 January 2025.

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