



Horizon Oil Limited ABN 51 009 799 455

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23 December 2010

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

LEGAL PROCEEDINGS COMMENCED - PRL 5, PAPUA NEW GUINEA

Further to the announcement of 10 November 2010, the Company advises that its subsidiary, Horizon Oil (Papua) Limited, has commenced legal proceedings in the PNG courts in respect of the Minister of Petroleum and Energy's decision not to renew PRL 5. Horizon Oil (Papua) Limited has been successful in obtaining an injunction to restrain dealings in respect of the PRL 5 acreage.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Sheridan". The signature is fluid and cursive, with the first name "Michael" and the last name "Sheridan" clearly distinguishable.

Michael Sheridan

Chief Financial Officer & Company Secretary



For further information please contact:

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