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8 March 2011

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

HORIZON OIL (HZN) PRESENTATION AT EUROZ SECURITIES CONFERENCE 8 MARCH 2011

Please find attached the presentation to be made today by Horizon Oil's Chief Executive Officer, Mr Brent Emmett at the Euroz Securities Conference.

Yours faithfully,

Michael Sheridan
Chief Financial Officer / Company Secretary

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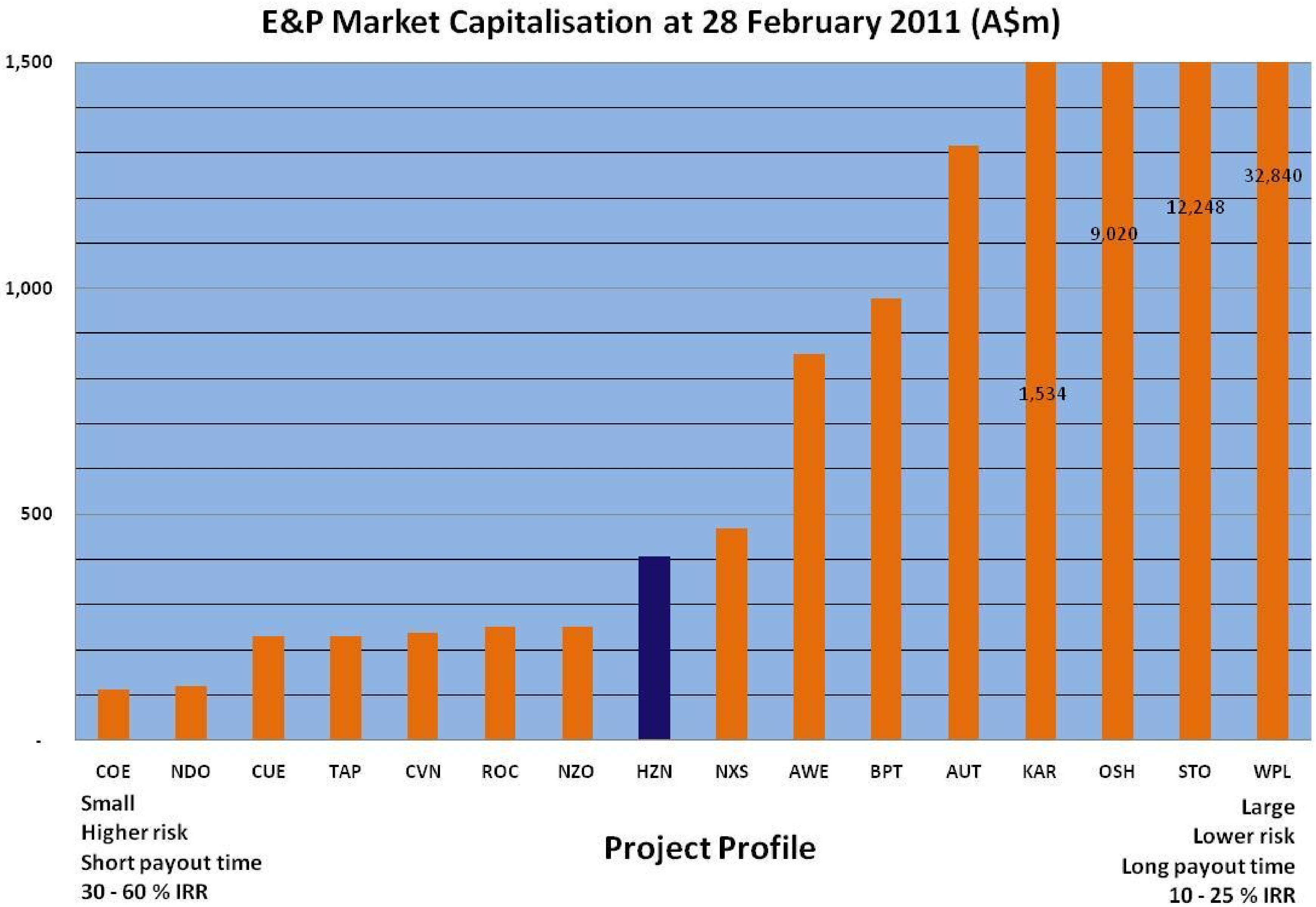
HORIZON OIL LIMITED

ABN 51 009 799 455

Euroz Securities Conference
March 2011

This presentation contains some references to forward looking assumptions, representations, estimates and outcomes. These are uncertain by the nature of the business and no assurance can be given by Horizon Oil Limited that its expectations, estimates and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

Horizon Oil in the Australian E&P Sector



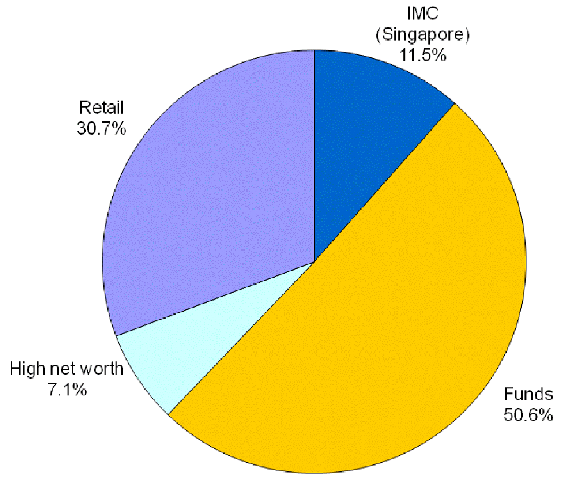
Horizon Oil Profile

- E&P petroleum company with geographic focus on SE Asia / Australasia
- Listed on ASX – in ASX 300 Index
- Market capitalisation of A$407 million at A$0.36 share on 28 February 2011 – 1,130 million shares on issue
- Forecast net production for 2011 2,000 - 2,500 bopd, generating EBITDA of US$4 – 6 million per month
- 2P reserves of 12 mmbo and resources of 19.4 mmbo / 346 bcf gas
- At 31 December 2010:-
  - Cash US$23.1 million
  - Debt US$14.6 million – Maari project loan, repayable end 2011
  - Remaining carry of PNG work obligations US$22.0 million
- 10 employees

Horizon Oil Shareholder Distribution

Institutional funds strongly represented on register…

SHARE PRICE HISTORY



1,130.3 million shares

TRADING STATISTICS

This month	
Last	$0.360
High	$0.370
Low	$0.280
Volume	119,852,804
12 Months	
Last	$0.360
High	$0.390
Low	$0.260
Volume	705.51 million
Fully paid shares	1,130.3 million
Partly paid shares	2.0 million
Employee options	38.4 million
No. of shareholders	5,663
Market capitalisation	$407 million
Top 20 / Issued Capital	69.3%

…possibility of being admitted to ASX 200 Index in 2011

Horizon Oil Board and Management

NON-EXECUTIVE DIRECTORS	RESPONSIBILITIES	EXPERIENCE
Fraser Ainsworth AM B.COMM, FAICD, FCPA	Chairman of Board, Chairman of Remuneration, Nomination and Disclosure Committee, Member of Audit and Risk Management Committee	28 years in CSR's resource & energy business, former MD of Delhi, former MD of SAGASCO, Founder & Executive Director of Potential Energy, Non-executive Director of Envestra Limited and Deputy Chairman of Tarac Australia Limited.
John Humphrey LL.B., SF Fin	Director, Chairman of Audit Committee, Member of Risk Management Committee	Senior partner in Mallesons Stephen Jacques, Director Downer EDI and Wide Bay Australia Limited
Robert Laws B.Sc, GAICD	Director, Chairman of Risk Management Committee, Member of Audit and Remuneration and Nomination Committee	24 years experience in exploration, E&P management in Geosurveys and Elf Aquitaine, 18 years Director of Petroleum Division of South Australian Department of Mines & Energy
Gerrit J de Nys B.Tech, FIEAust, FAICD, CPEng	Director	40 years experience in civil engineering, construction, oilfield contracting and natural resource investment management. Former MD of IMC Group Direct Investments, Non-Executive Chairman of Red Sky Energy Limited
Andrew Stock B.Eng (Chem) (Hons), FAIE	Director, member of Risk Management Committee	35 years of development, operations and commercial experience in energy industries in Australia and overseas. Executive General Manager for Major Development Projects for Origin Energy. Director of Geodynamics Limited and a member of the Advisory Boards for the Centre of Energy Technology & the Faculty of Engineering, Computers and Mathematical Sciences at University of Adelaide
MANAGEMENT AND CONSULTANTS		
Brent Emmett B.Sc(Hons)	Chief Executive Officer / Managing Director and Member of Risk Management and Disclosure Committee	Over 30 years experience in exploration, E&P management, investment banking / Exxon, Elf Aquitaine, Ampolex, CIBC / Australia, New Zealand, Papua New Guinea, China, USA, Latin America
Michael Sheridan B.Ec, LL.M., F Fin	Chief Financial Officer / Company Secretary	Over 20 years experience in finance, commercial and legal areas / Ernst & Young, Ampolex, RGC Limited, Minera Alumbrera Limited, Hutchison Telecoms / Australasia, South East Asia, South America
Alan Fernie B.Sc	Manager, Exploration and Development	Over 35 years experience in exploration, E&P management and business development / BP, Sun International, Ampolex, Santos, RISC / UK, Latin America, Asia, Australia, Middle East, Europe
Paul Ettema B.E. (Hons)	Petroleum Engineering Adviser	Over 30 years experience in reservoir engineering, development planning and operations management / Esso, Bridge Oil, Ampolex, NZOG / Australia, PNG, New Zealand, China
Sir Moi Avei	Advisor to Board – Papua New Guinea Affairs	Former PNG Deputy Prime Minister and Minister for Petroleum and Energy, Managing Director of Hiri Consultants.
James (Jim) Slater	Principal of Kelly Down Consultants, Drilling and Logistics managers	Over 35 years experience in managing drilling operation in South America, Middle East and SE Asia, both onshore and offshore. For over 21years KDC has managed heli - supported logistics and drilling operations for good quality clients in PNG, including five wells in Western Province.

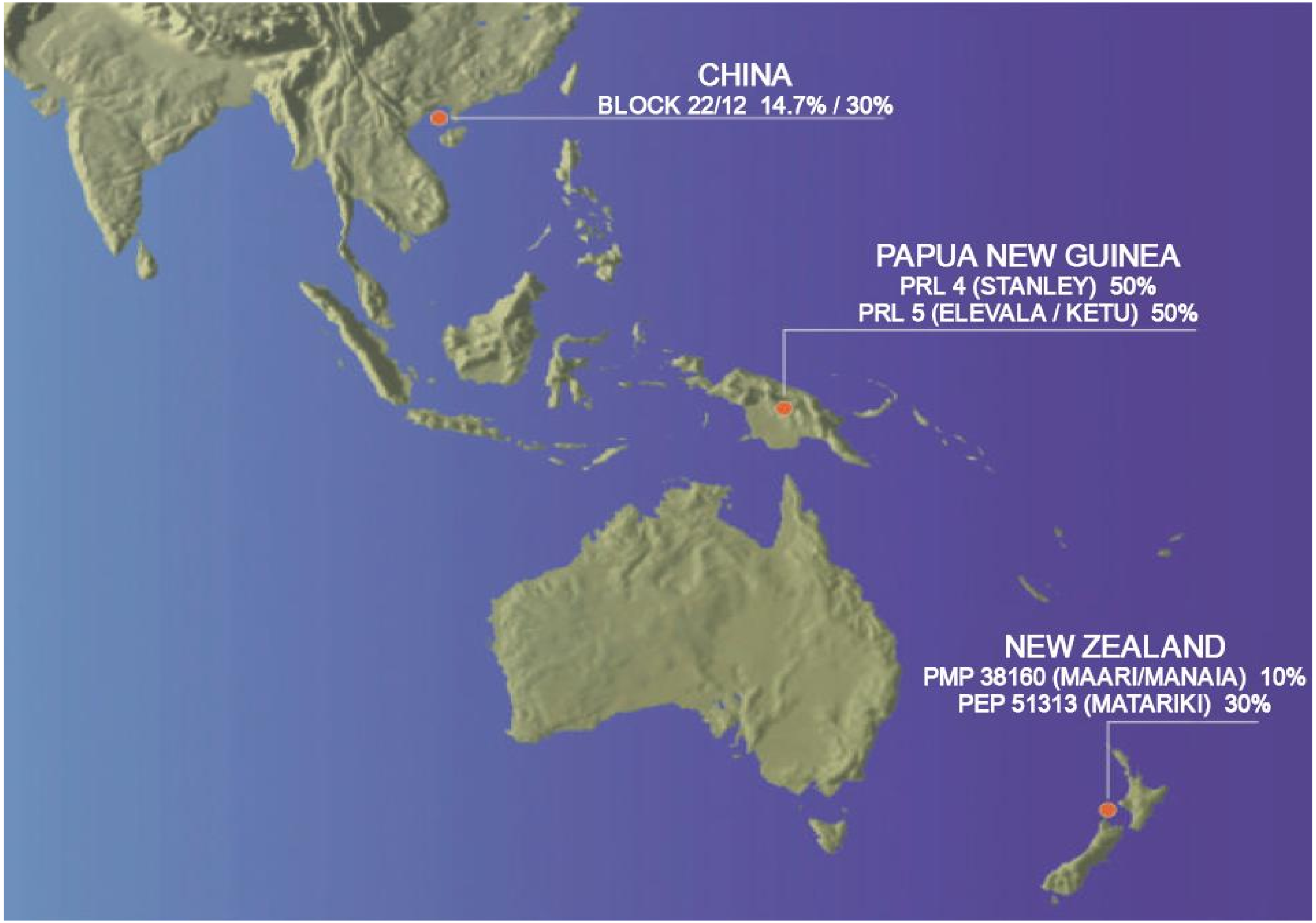
Investment Strategy

- Distinct southeast Asian geographic focus
- Strong, long-lived cashflows from Maari field, offshore New Zealand, to fund future capital program
- Substantial inventory of discovered reserves and resources to bring into production with minimal exposure to geological risk – 89 million barrels of oil equivalent
- Conservative and highly selective policy on exploration
- Focus on plays with scale and upside

Exposure to commodity price upside, especially oil price, and production growth

Asset Location – Focus on SE Asia / Australasia

Productive fairways, mature operating environment …

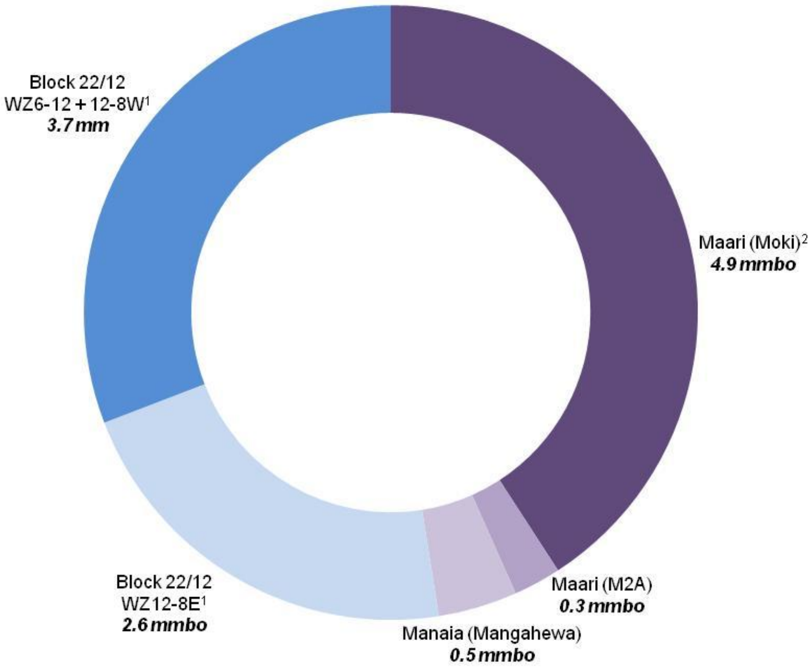


…strong demand for oil and gas

Net Reserves and Contingent Resources (Proven + Probable) as at 30 September 2010

Horizon Oil

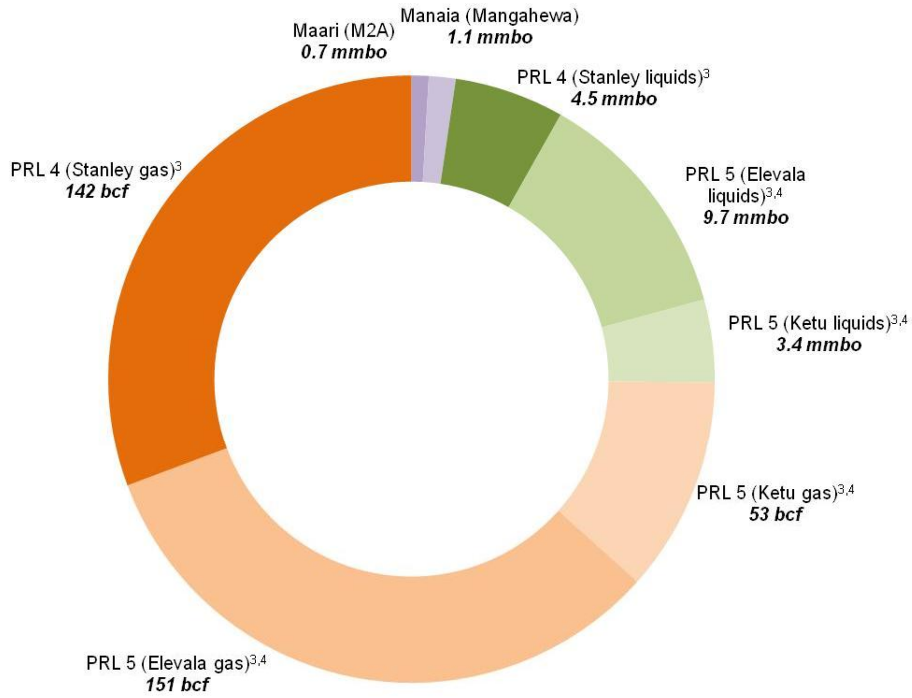
RESERVES



Total 12.0 mmbo

[1] Reduced to allow for CNOOC participation at 51%
[2] Net of production through 30 September 2010

CONTINGENT RESOURCES

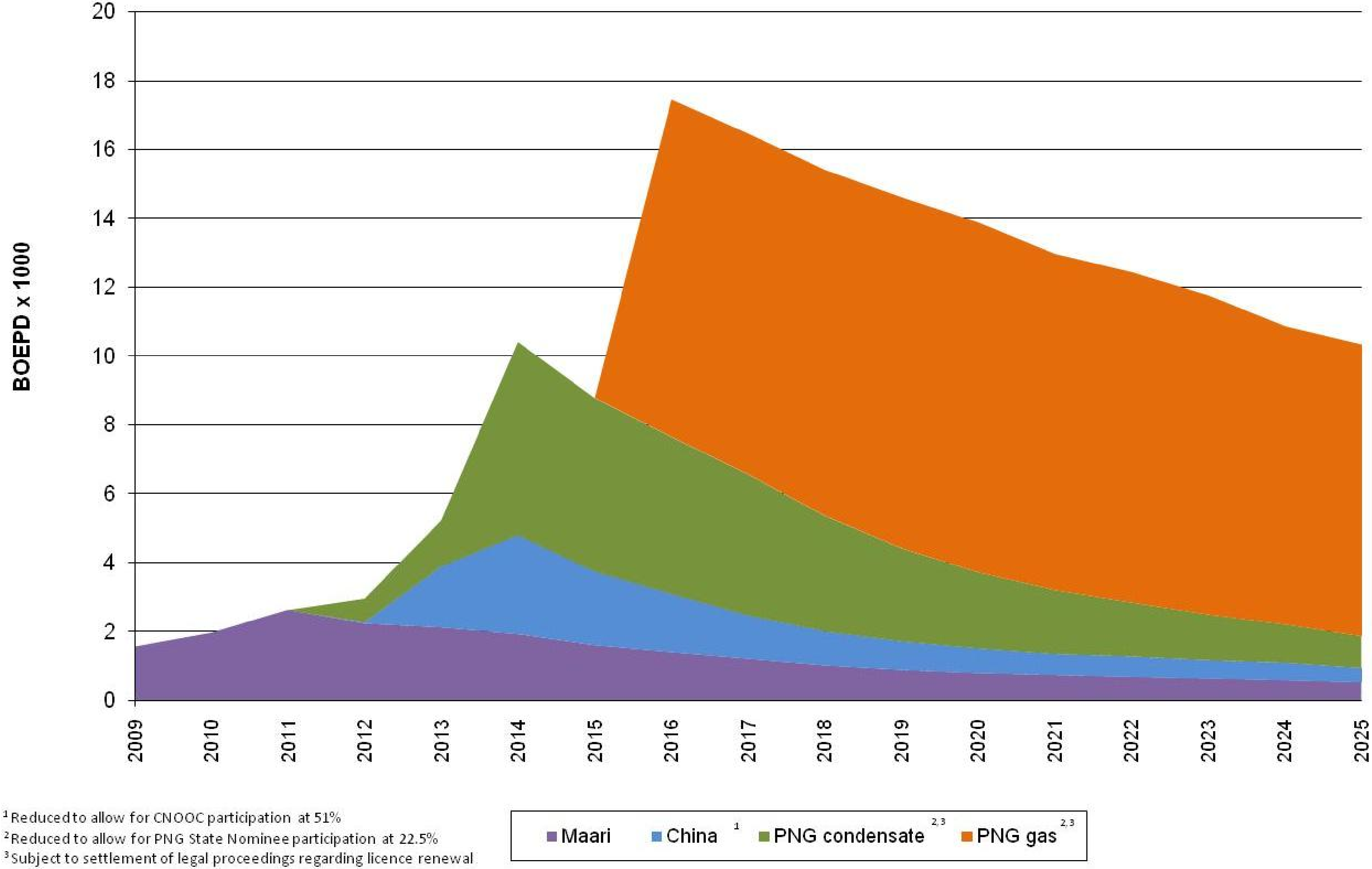


Total 19.4 mmbo
346 bcf

[3] Subject to reduction to allow for PNG State Nominee participation at 22.5%
[4] Subject to settlement of legal proceedings regarding licence renewal

Total reserves and resources – 89.1 mmboe

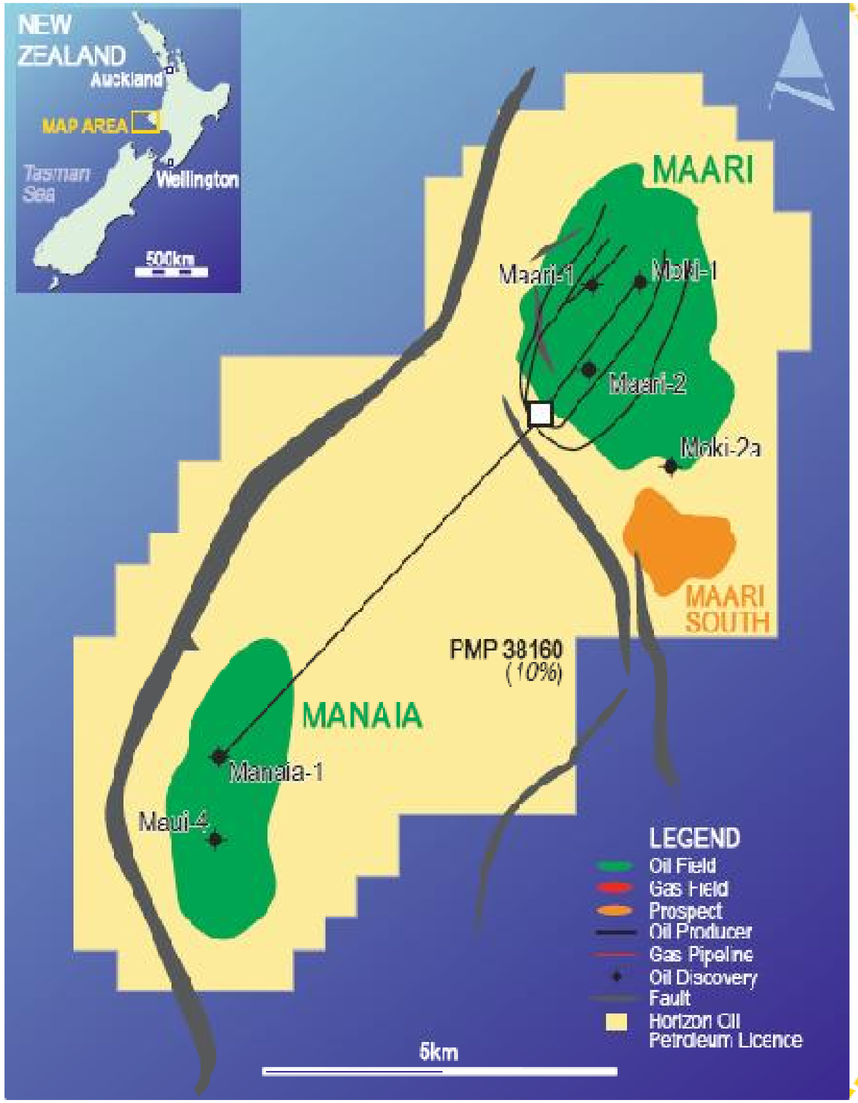
Net Production Forecast

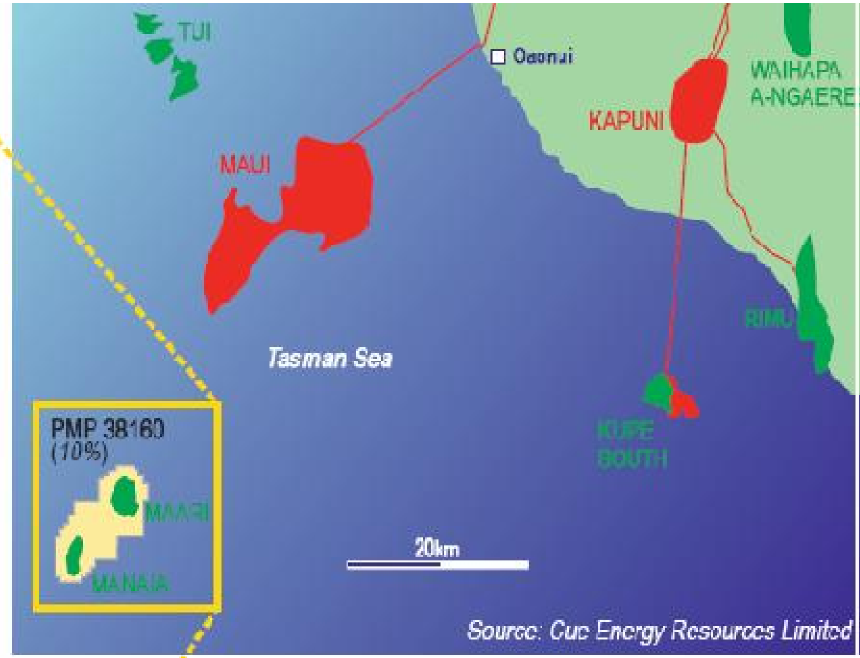


[1] Reduced to allow for CNOOC participation at 51%
[2] Reduced to allow for PNG State Nominee participation at 22.5%
[3] Subject to settlement of legal proceedings regarding licence renewal

Maari / Manaia Fields – New Zealand

On stream March 2009…





Maari / Manaia:	
HZN	10%
OMV	69% (Op)
Todd	16%
CUE	5%

…robust, reliable development scheme with upside potential

Maari Development Concept

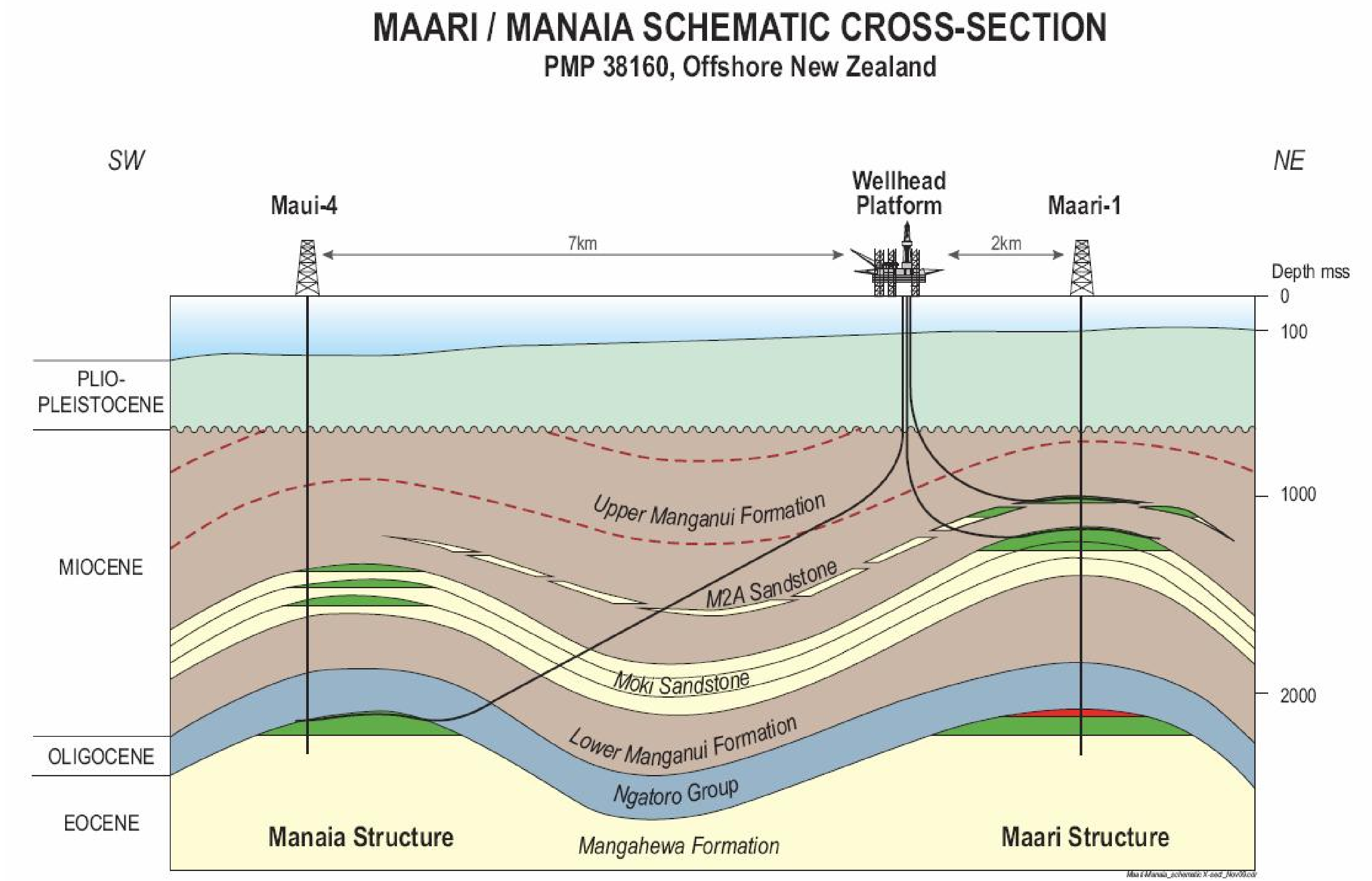
- Production permit covering Maari and Manaia through December 2027 with ability to extend
- Design plateau production rate 35,000 bopd
- Wellhead platform allows well intervention without need to import a rig
- Workover rig and coiled tubing unit permanently on platform or at shorebase
- Spare capacity on platform for additional wells to access upside reserves
- Back-up systems in well completion and process stream for flow assurance
- FPSO has 600,000 barrel storage; designed to be permanently moored
- Favourable purchase option over FPSO – likely to exercise in April 2013
- Platform is re-useable at end of field life

Maari Key Points

Horizon Oil

- Maari Moki zone developed with 5 producer wells and 3 water injectors – 60 mmbo recoverable reserves
- Nameplate capacity of facilities 35,000 bopd, forecast production rate for 2011 20,000 - 25,000 bopd
- Production to date 12.8 mmbo, generating gross revenue of over US$900 million since March 2009
- High quality crude receiving premium to dated Brent price
- Successful appraisal / development wells drilled from platform on secondary zones – M2A sands and Manaia Mangahewa formation, both wells equipped for production
- Focus now on production optimisation and “Greater Maari Area” development

Maari Upside Potential

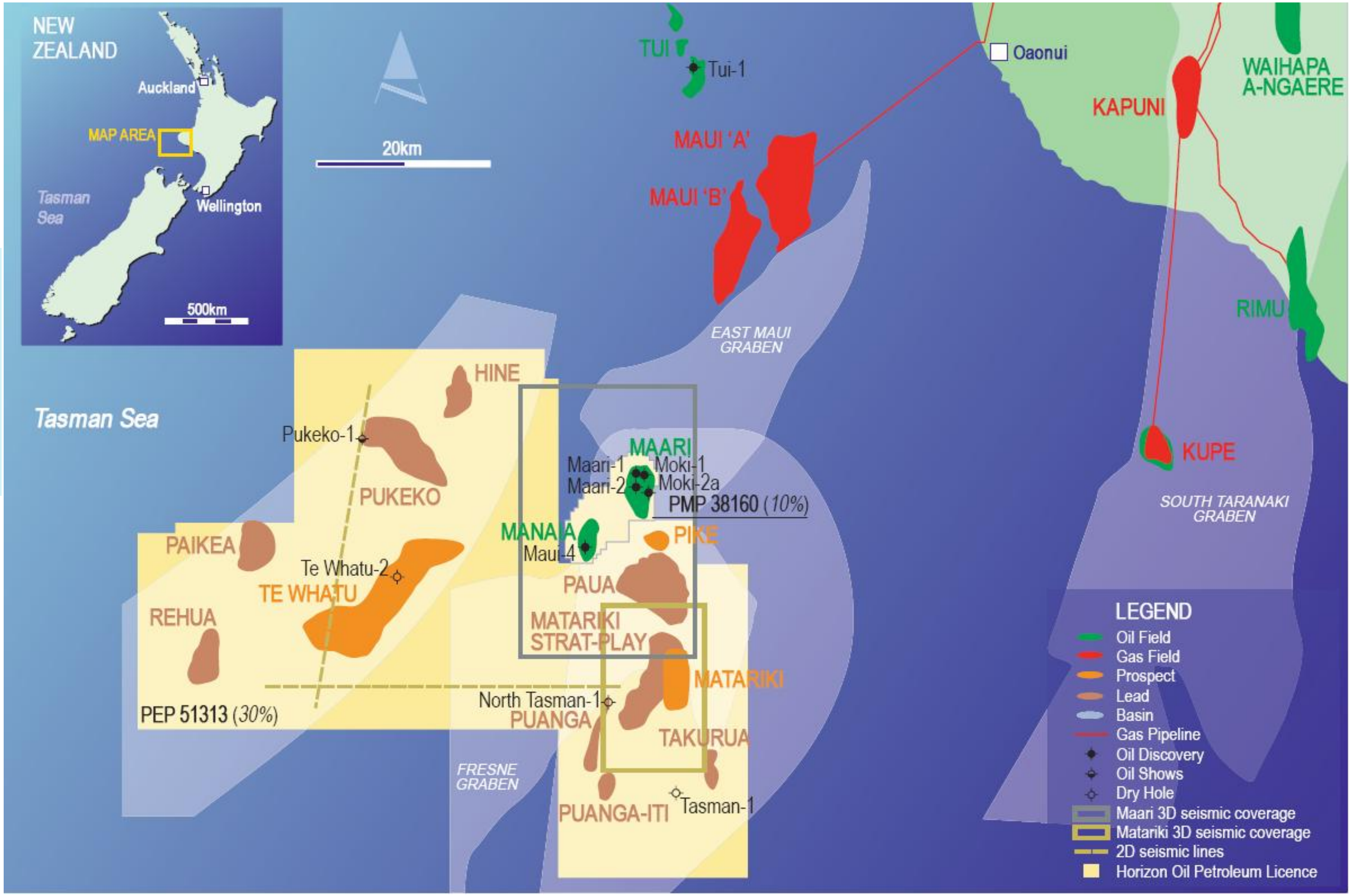


Potential to increase recoverable reserves from 60 mmbo to 80 – 100 mmbo

PEP 51313 – New Zealand

2,595 sq km block with 5 year term, logical extension of Maari / Manaia…

PEP 51313:	
HZN	30%
Todd	50% (Op)
CUE	20%



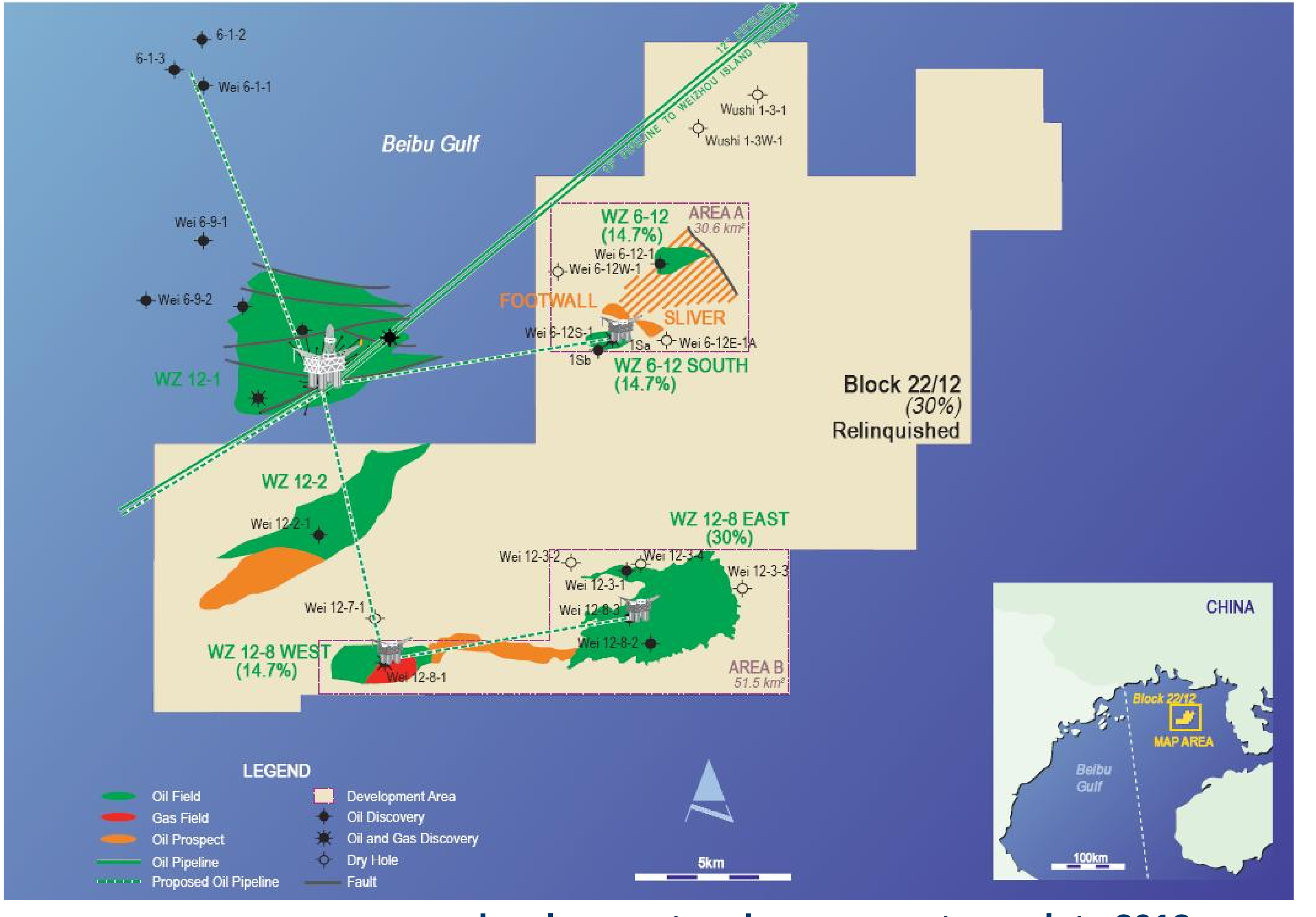
…deep prospect and lead inventory in proven play-types

China 22/12 – Discoveries and Prospects

185 mmbo-in-place discovered...

Block 22/12 Post-CNOOC Back-in:

HZN	14.7%
CNOOC	51% (Op)
ROC	19.6%
Petsec	12.3%
Majuko Corp	2.4%

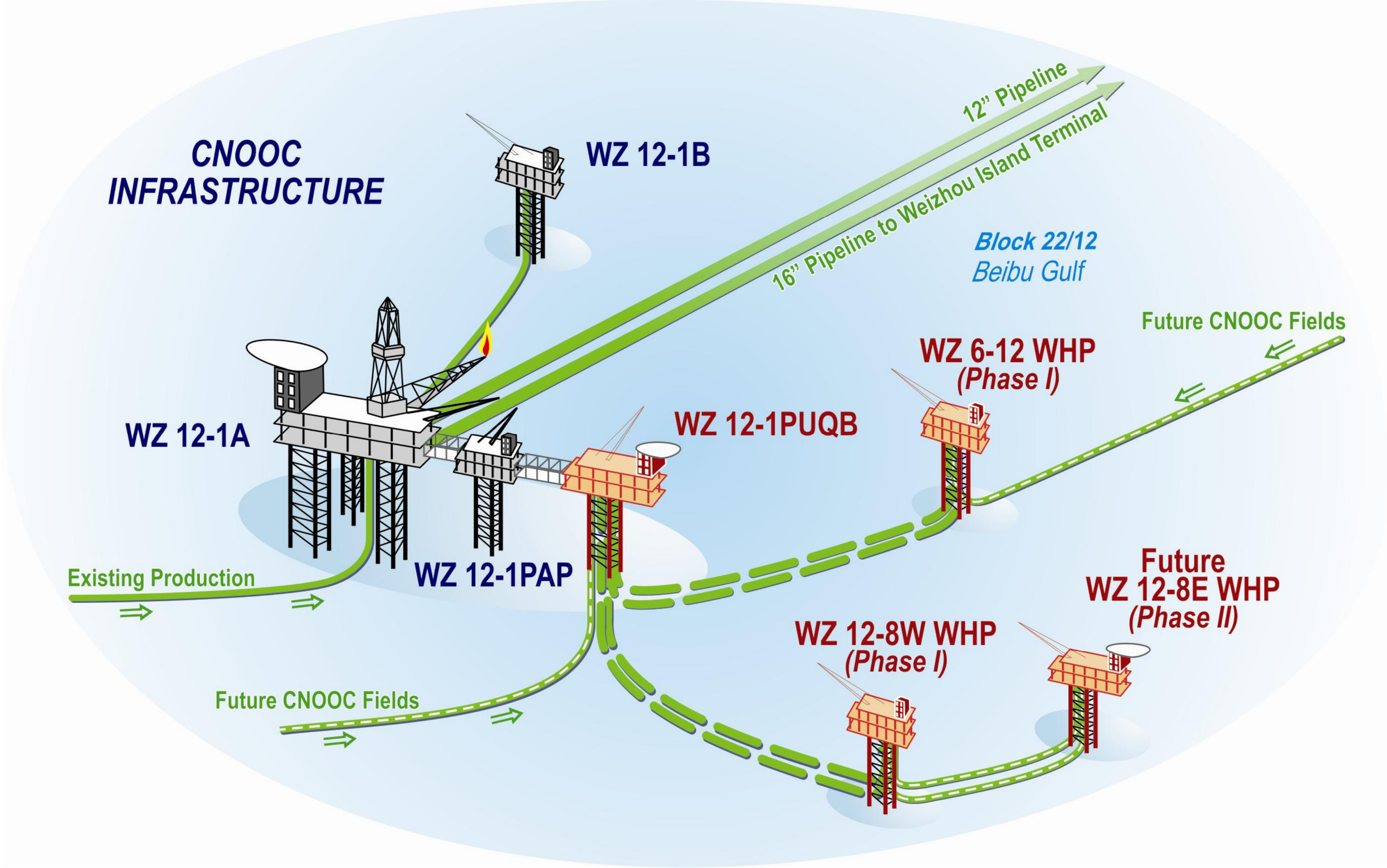


…development underway, on stream late 2012

Block 22/12 Development Plan – Key Points

- Development scheme is to utilise CNOOC facilities, services, infrastructure and manpower where possible to achieve capex and opex sharing and accelerated timing to first oil
- CNOOC to operate Block development and production
- Phase I – unmanned wellhead platforms at WZ6-12S and WZ12-8W, tied back to new auxiliary utility platform at WZ12-1 location; total development cost US$300 million – all up
- Water and gas disposal from CNOOC platform; oil export via CNOOC pipeline to Weizhou Island storage and ship loading facilities
- Supplemental Development Agreement signed with CNOOC August 2010; FID February 2011; construction 2011 – 12; on production late 2012
- Phase II – unmanned wellhead platform at WZ12-8E, tied back to Phase I auxiliary utility platform; feasibility study for WZ12-8E underway
- Further exploration potential in WZ6-12 area

Block 22/12 Phased Development Scheme

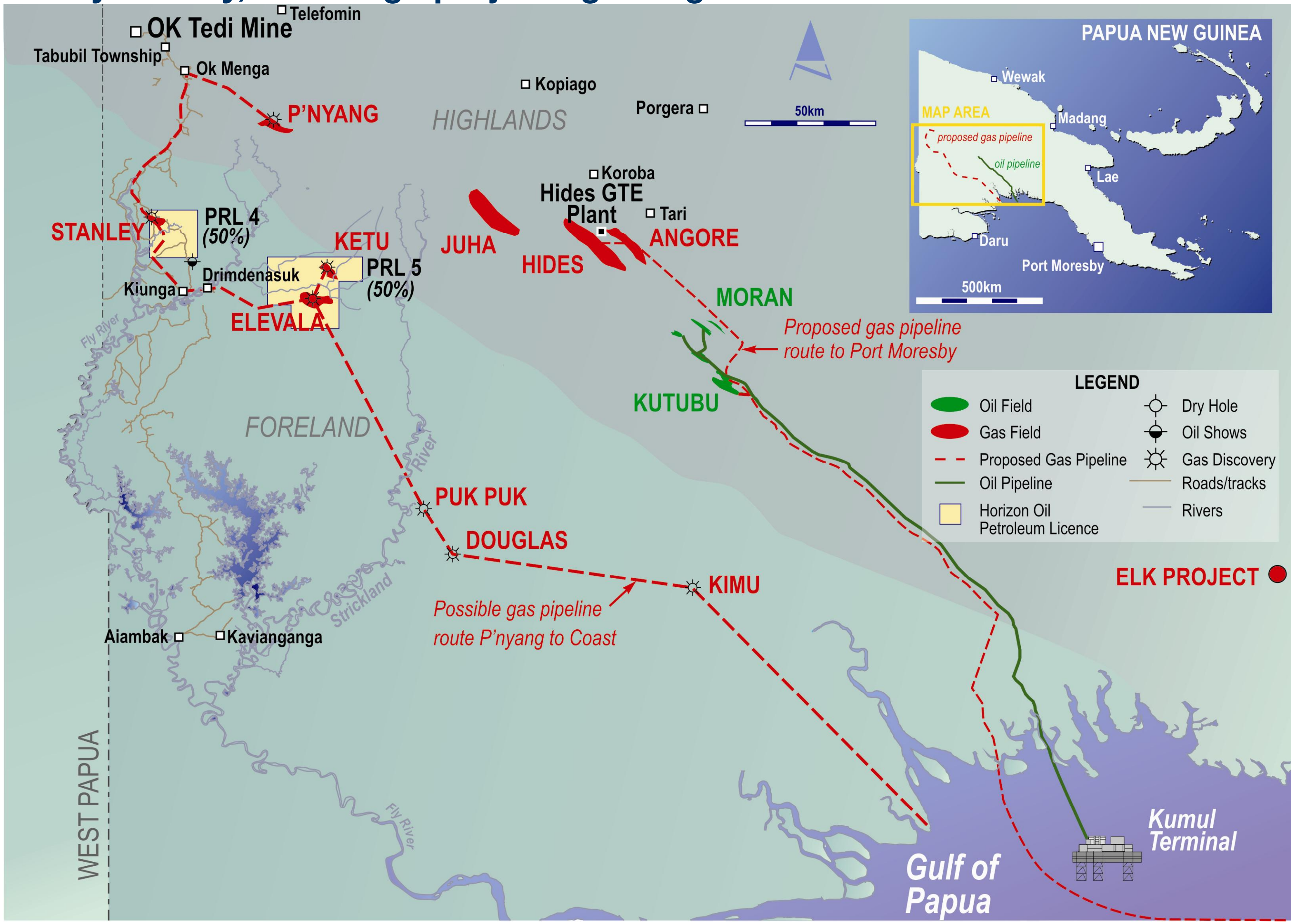


Recent PNG Transactions…heavy artillery arriving

Date	Company	Transactions
On-going	Exxon	Development of the Exxon-operated PNG LNG Project
On-going	InterOil	Appraisal / development of Elk / Antelope LNG Project – to be front-ended with condensate stripping phase
Sep'08	Sasol	Papua Petroleum Ltd farms out 51% interests in PPLs 285, 286, 287 and 288 to Sasol for seismic carry
Oct '08	Petronet Eni	Indian LNG importer Petronet signals plan to enter the upstream oil and gas sector in PNG Italy's Eni signs an oil and gas exploration agreement with the PNG Government
Dec '08	Petromin Nippon	Petromin acquires direct interest in Elk/Antelope Field from InterOil for initial A$4.8m deposit and funding for 20.5% of field development costs Nippon acquires AGL Energy's PNG interests for A$1.13bn
Feb '09	Kogas	Kogas reported as actively seeking to establish an interest in gas fields in PNG
Mar '09	IPIC	IPIC completes purchase of 17.6% stake in Oil Search via 5 year US$1.1bn exchangeable bond from PNG Govt
Apr '09	Oil Search	Oil Search farms into Eaglewood Energy's PPL 260 - seismic + optional well
May'09	Origin Energy	Origin forms JV with PNG Sustainable Development Program
May '09	Sasol	Rift Oil farms out PPL 235 to Sasol – seismic + up to 4 wells
Jun '09	P3GE Talisman Energy	Eaglewood Energy farms out PPL 259 to P3GE for US$15m and one well Talisman purchases Rift Oil outright for £114.8m (~US$188m) acquiring PPL 235 (Douglas and Puk Puk gas discoveries) and PPL 261. The terms of the deal override the PPL 235 farmout to Sasol
Jul`09	Talisman Energy	NGE farms out PPL 268 and 269 to Talisman – seismic + up to 6 wells
Sep'09	Talisman Energy	Talisman purchases-: 50% of PRL 5 from Santos for US$20m 50% of PRL 4 from Horizon Oil for US$30m in cash + US$30m work carry
Oct'09	Oil Search	Oil Search raises A$935m in new capital to fund equity component of PNG LNG project
Dec'09	Talisman Energy	Talisman purchases Papua Petroleum Ltd for A$25m – 49 interests in PPLs 285, 286, 287 and 288
Aug'10	Talisman Energy	Talisman buys Cue and Mosaic interests in Kimu gas field in PRL 8 for US$16m
Aug'10	Mitsui	Mitsui buys into InterOil Elk / Antelope condensate stripping / LNG project
Sep'10	Energy World Corp	EWC signs agreement with InterOil to build 2 mtpa LNG plant fed by Elk / Antelope

Papua New Guinea

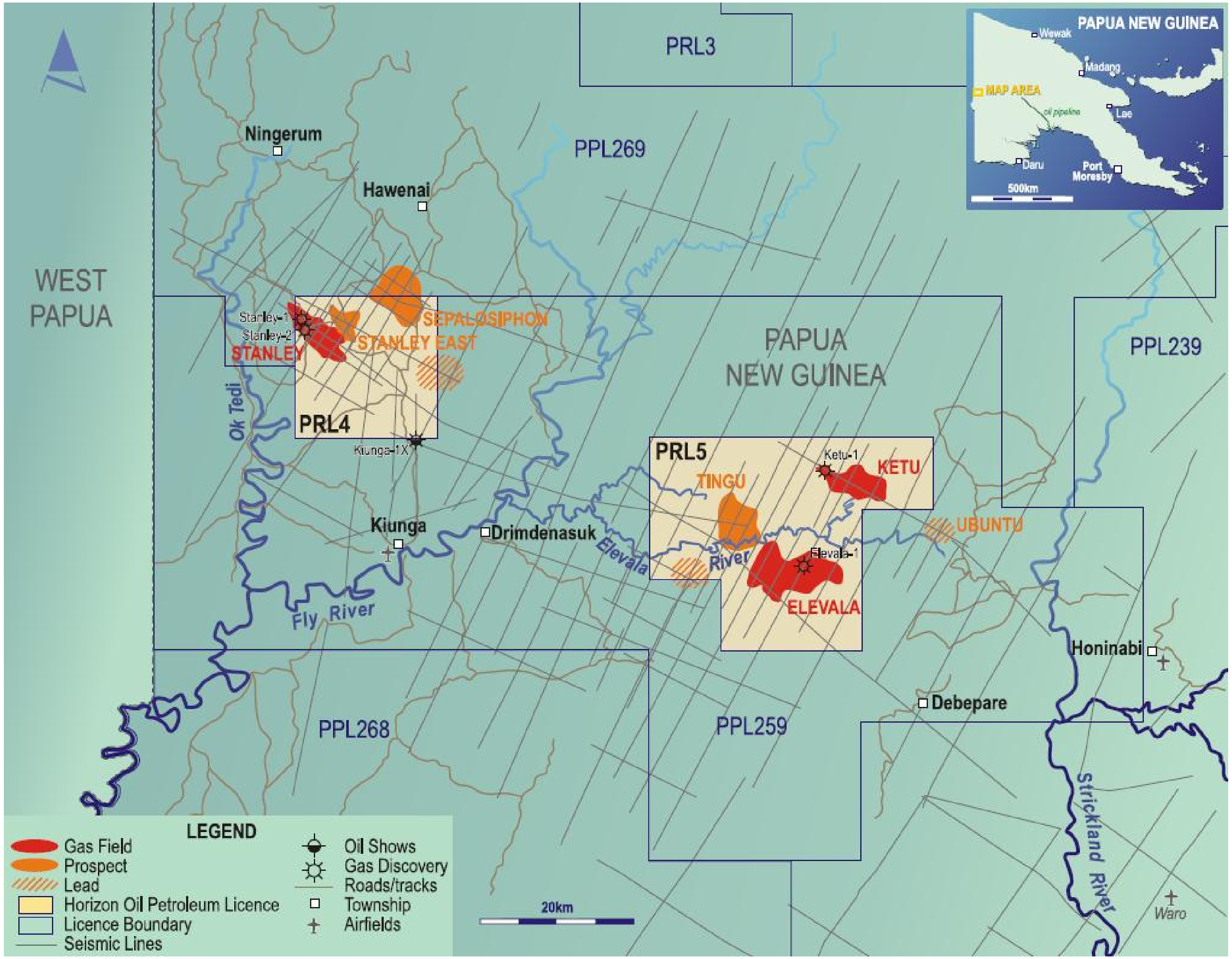
Uptick in industry activity, with large projects gaining traction…



… major gas aggregation play emerging in Western Corridor / Offshore

PRL 4 and PRL 5 – Papua New Guinea

Possible recoverable resources of 1 – 2 tcf gas and 40 – 70 mmbo condensate…



…condensate stripping phase planning underway

Western Province Play – Papua New Guinea

Horizon Oil

- Significant resource position, 50% interest with partner Talisman Energy Inc. in:-
  - PRL 4 (Stanley gas / condensate discovery)
  - PRL 5 (Elevala and Ketu gas / condensate discoveries)
- Fields located in relatively flat and accessible foreland area
- Initial development phase to involve condensate stripping with re-injection of dry gas and export of condensate via Fly River, operated by Horizon Oil – FEED and shipping studies substantively complete
- Negotiations underway to supply gas to local and regional consumers
- Good progress being made on regulatory issues associated with Stanley development – Field Development Plan lodged
- Drilling and seismic program underway
- Gas export phase to occur later, operated by Talisman - assembling large gas aggregation play
- Extension of PRL 5 refused by Minister for Petroleum and Energy and legal proceedings commenced to recover

Stanley-2 Well Update

Results

- Primary Toro target 130 m high to equivalent zone in Stanley-2, with similar thickness – 35 m gross / 23 m net gas pay
- Imburu (secondary) target encountered below Toro – 56 m gross / 43 m net gas pay
- Pay zones in pressure communication and significantly better reservoir quality than anticipated
- Material increase in Stanley resources / reserves expected

Implications

- Pre-drill criteria for field development decision met or exceeded – working towards mid-2011 FID
- Development planning and capital work being accelerated (Stanley-4)
- Simpler well design allowed because of improved reservoir quality
- Strong confirmation of reserves for negotiation with regional gas buyers

Analysts' Valuations

Firm	Date of research	Target share price	Recommendation
Euroz	16 Feb 11	$0.48	BUY
Patersons	25 Feb11	$0.44	BUY
Wilson HTM	25 Feb 11	$0.41	BUY
Merrill Lynch	24 Feb 11	$0.44	BUY
UBS	24 Feb 11	$0.47	BUY
Moelis & Co	16 Nov 10	$0.52	BUY
Macquarie Equities	11 Nov 10	$0.45	BUY
Southern Cross Equities	11 Nov 10	$0.49	BUY
RBS Morgans	8 Nov 10	$0.32	HOLD

HZN Share Price … Catalysts for Re-rating

- Achievement of construction milestones on Block 22/12 development
- Renewal of PRL 5
- Stanley reserves upgrade and FID on condensate stripping project
- Progress on gas sales to regional PNG consumers
- Progress by Talisman on Western Corridor gas aggregation (export) scheme
- Exploration success
  - PEP 51313, New Zealand
  - PNG
  - Block 22/12

Coming up in 2011…Management Priorities

Horizon Oil

- Maari field, New Zealand –
  - Optimise water injection and oil production
  - Design development scheme to produce Greater Maari Area accumulations
- PEP 51313, New Zealand
  - Process recently-acquired seismic, integrate with existing and interpret
  - Mature prospect(s) for drilling in 2011 / 12
- Block 22/12, offshore China
  - WZ6-12 + 12-8W development, engineering, procurement and construction
  - Complete feasibility study for WZ12-8E
  - Evaluate exploration prospects for drilling in field development drilling phase
- PRLs 4 and 5, Papua New Guinea
  - Drill Stanley-4 well
  - Secure PRL 5 extension and prepare to drill Elevala-2 and Ketu-2 wells
  - Engineering, procurement, construction for Stanley field
  - Mature exploration prospect inventory for drilling

Horizon Oil

- Key Results
- Profit and Loss
- Cash Flow

Key Results

Operational

- Stanley-2 appraisal well in PRL 4, Papua New Guinea drilled with favourable preliminary results. Multi-well drilling program planned to continue throughout the remainder of the year.
- Overall Development Plan for WZ6-12 and WZ12-8W fields, Beibu Gulf offshore China, approved by CNOOC; Financial Investment Decision approved.
- Maari field, offshore New Zealand, successful workover of 2 shut-in wells; Manaia well tied into platform; upside zones being appraised.
- New 3D and 2D seismic recorded over block PEP 51313, offshore New Zealand, with encouraging, preliminary results.

Financial

- Net production from Maari field of 303,322 barrels of oil.
- Net sales volume 294,950 barrels of oil, generating revenue of US$24.8 million.
- Net cash from operating activities (excl G&A) of US$19.4 million.
- Exploration and development capital program of US$10.0 million executed.
- Loss after tax of US$1.6 million; profit after tax, adjusted for PRL 5 impairment, of US$5.7 million.
- Bank debt reduced from US$22.0 million to US$14.6 million in half year period.
- Cash on hand at 31 December 2010 of US$23.1 million.

Profit and Loss

	6 Months to Dec 2010 (US$million)	6 Months to Dec 2009 (US$million)
Sales Revenue	24.8	24.4
Gross Profit on Oil Sales	15.5	17.1
Impairment of exploration phase expenditure (PRL 5)	(7.3)	-
Profit from Sale of Assets	-	54.1
EBITDAX	18.0	22.0
EBIT	5.3	68.9
Profit before Tax	**4.1**	**67.0**
Net Profit / (Loss) after Tax	**(1.6)**	**56.6**
Adjusted for significant items including impairment and profit from sale of assets :-		
Adjusted EBITDAX	**18.0**	**22.0**
Adjusted Profit before Tax	**11.4**	**12.9**
Adjusted Net Profit after Tax	**5.7**	**2.5**

Cash Flow

	6 Months to Dec 2010 (US$million)	6 Months to Dec 2009 (US$million)
Opening Cash	***26.5***	***10.0***
Net Cash from Operating Activities (excl G&A)	19.4	20.0
General & Administrative Expenditure	(3.5)	(2.5)
Repayment of Bank Loans	(7.3)	(14.6)
Repayment of Finance Lease on FPSO *Raroa*	(2.7)	(2.5)
Net Proceeds from Share Issues	0.5	0.3
Investment Activities		
Development Expenditure	(0.3)	(8.0)
Exploration Expenditure	(9.9)	(4.8)
Proceeds from Sale of PNG Assets	-	30.0
Drawdown of Carry from PNG Sale	**0.6**	**-**
Other	0.2	(0.3)
Closing Cash	***23.1***	***27.6***

Please visit the Horizon Oil website www.horizonoil.com.au to see:-

Detailed Investor Presentation

Latest Quarterly Report

Analyst reports on HZN

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The reserve and resource information contained in this announcement is based on information compiled by Alan Fernie (Manager – Exploration and Development). Mr Fernie (B.Sc), who is a member of AAPG, has more than 35 years relevant experience within the industry and consents to the information in the form and context in which it appears.