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16 June 2011

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

HORIZON OIL (HZN) PRESENTATION AT UBS AUSTRALIAN RESOURCES & ENERGY CONFERENCE 15 – 16 JUNE 2011

Please find attached the presentation to be made today by Horizon Oil's Chief Financial Officer, Mr Michael Sheridan at the UBS Conference in Sydney.

Yours faithfully,

Michael Sheridan
Chief Financial Officer / Company Secretary

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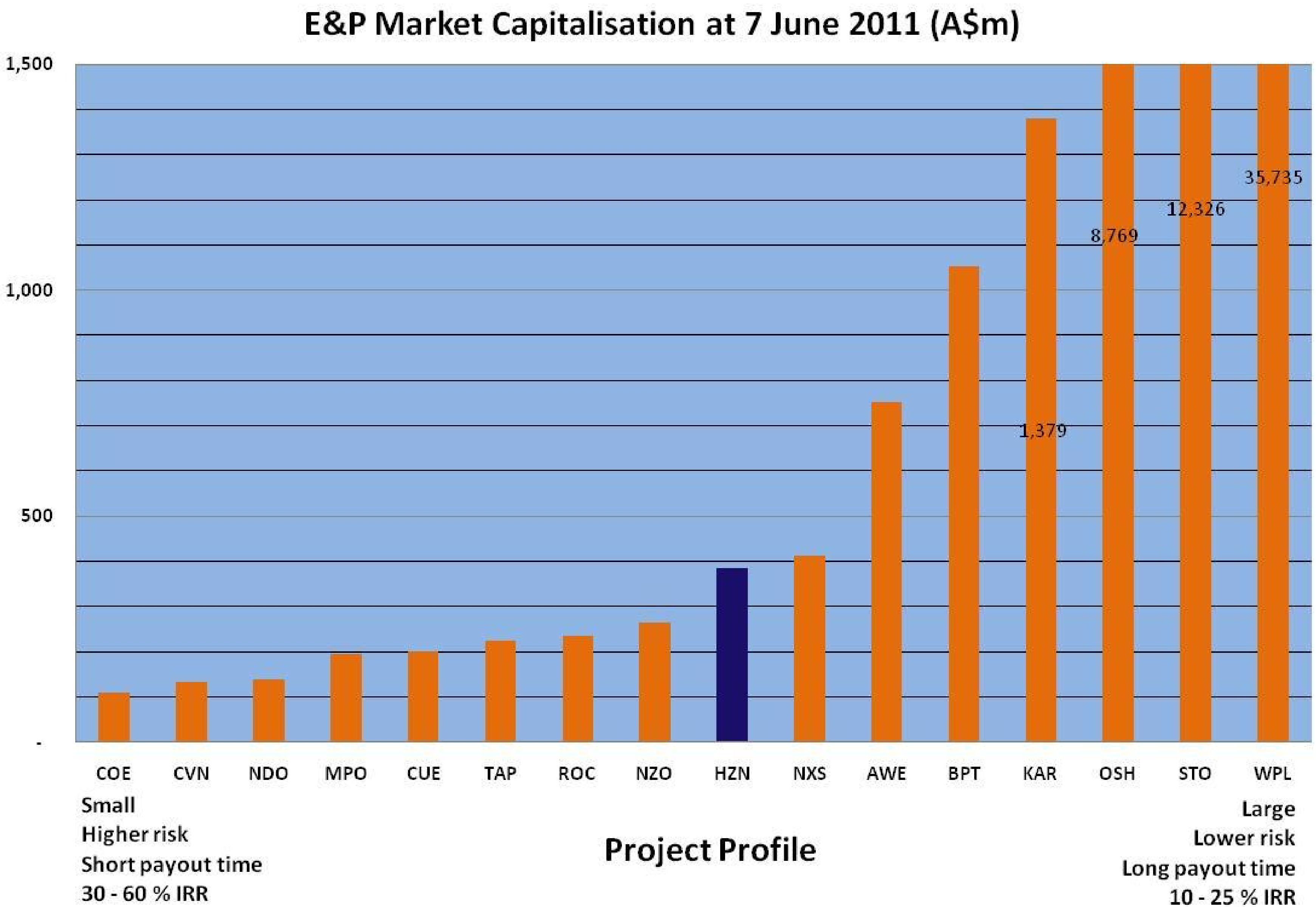
HORIZON OIL LIMITED

ABN 51 009 799 455

UBS Resources and Energy Conference 15 &16 June 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



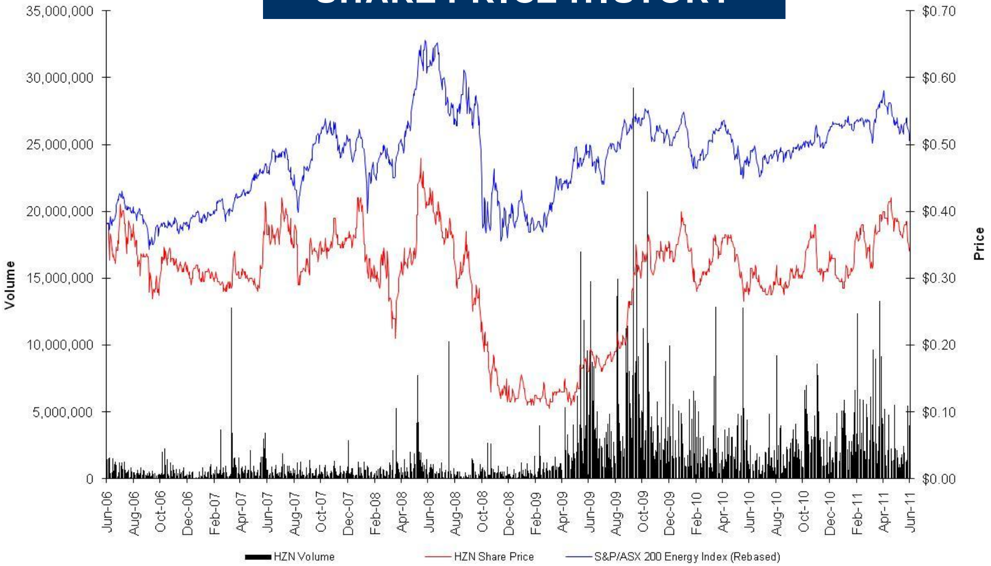
Horizon Oil Profile

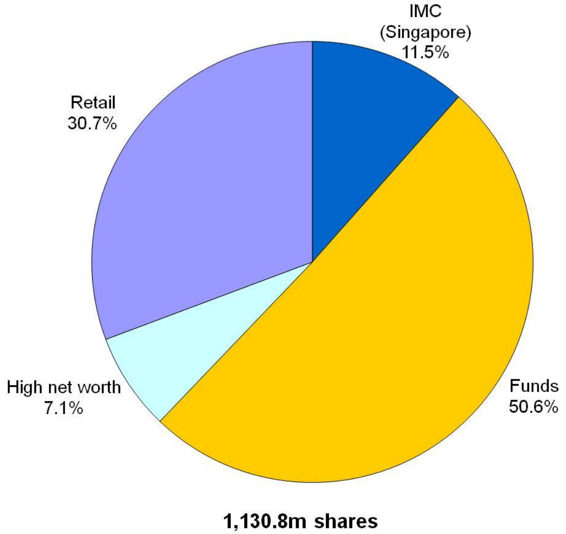
Horizon Oil

- E&P petroleum company with geographic focus on SE Asia / Australasia
- ASX listed – inclusion within ASX 300 Index
- Market capitalisation of A$384m at A$0.34 per share on 14 June 2011 (1,130.8m shares)
- Net production currently 1,500 bopd, generating EBITDA of approx US$4m per month
- 2P reserves of 16.8 mmbo and resources of 19.1 mmbo / 326 bcf gas
- Exploration potential of 97 million barrels of oil equivalent (mmboe) unrisked mean
- At 31 March 2011:-
  - Cash US$24.7m
  - Receivable from PNG sale US$22.0m (US$11m since received)
  - Bank debt - Maari project loan US$11.0m (ends 2011)
- 11 employees

Shareholder Distribution and Trading Statistics

SHARE PRICE HISTORY





TRADING STATISTICS

June 2011 (to date)	
Last	$0.340
High	$0.385
Low	$0.335
Volume	22,900,383
12 Months	
Last	$0.340
High	$0.420
Low	$0.260
Volume	699.86m
Fully paid shares	1,130.8m
Partly paid shares	1.5m[1]
Employee options	39.4m[2]
Share appreciation rights	6.7m[3]
No. of shareholders	5,724
Market capitalisation	$384m
Top 20 / Issued Capital	56.3%

[1]Issued in accordance with employee incentive schemes

[2]20.1 million options expire Aug 2011 - $0.33 issue price. Remaining options - issue price ranging from $0.27 - $0.35.

[3]Share price equivalence of SARS - $0.31.

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 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, sitting member of the Takeover Panel.
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, independent Non-Executive Director of Shui On Construction and Materials Limited.
Andrew Stock B.Eng (Chem) (Hons), FAIE, GAICD	Director, member of Risk Management Committee	35 years of development, operations and commercial experience in energy industries in Australia and overseas. Director, Executive Projects for Origin Energy, former 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 numerous wells in Western Province.

Investment Strategy

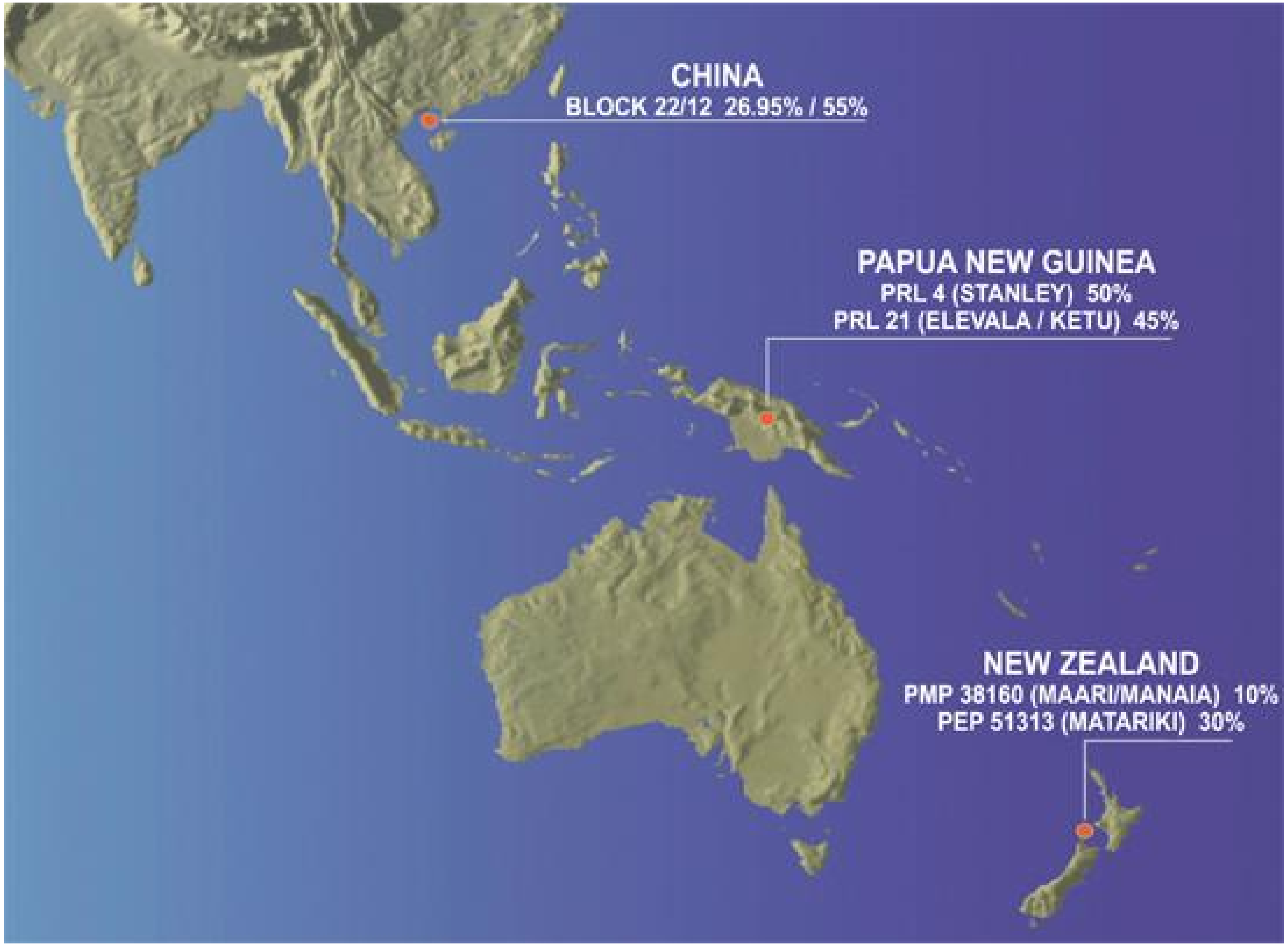
Horizon Oil

- 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 – 90 million barrels of oil equivalent (mmboe)
- Conservative and highly selective policy on exploration – 97 mmboe unrisked mean potential
- Focus on plays with scale and upside

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

Asset Review

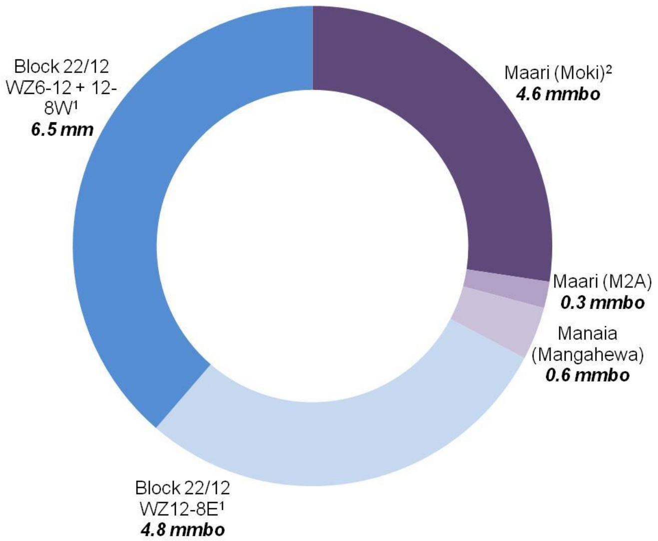
Focus on productive fairways and mature operating environments in SE Asia / Australia …



…where there is strong demand for oil and gas

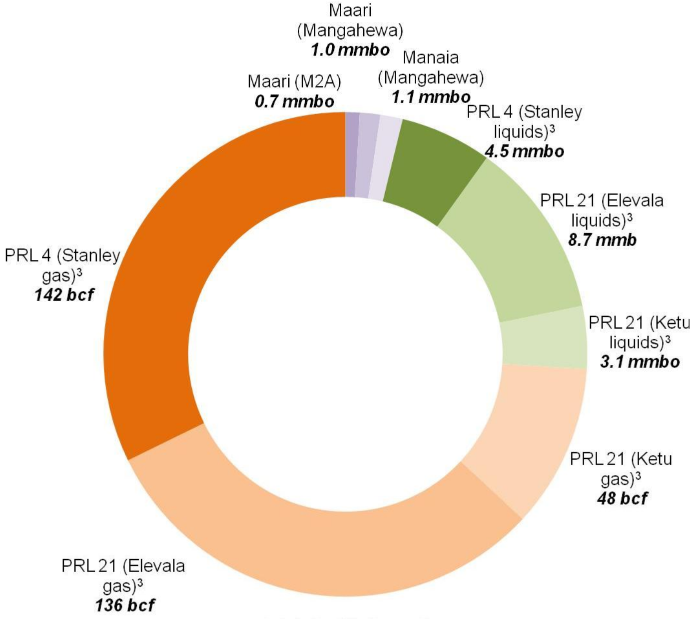
Net Reserves, Contingent Resources and Exploration Potential as at 31 December 2010 – Post PRL 21 & Block 22/12 Acquisitions

RESERVES Proven + Probable



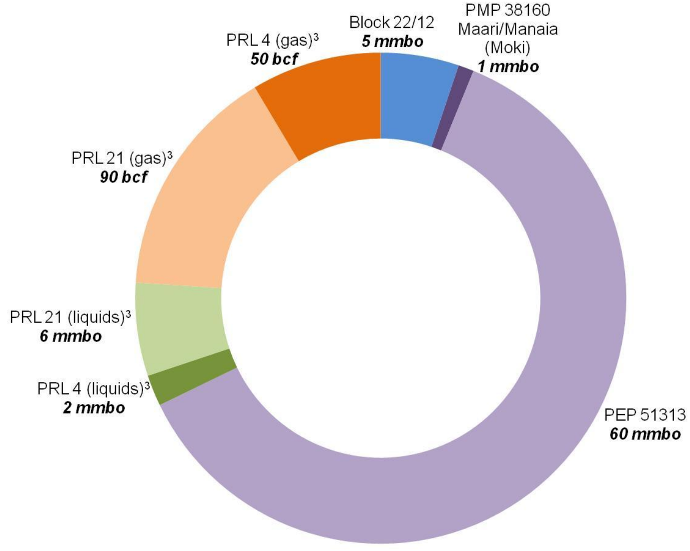
Total 16.8 mmbo

CONTINGENT RESOURCES



Total 19.1 mmbo
326 bcf

EXPLORATION POTENTIAL



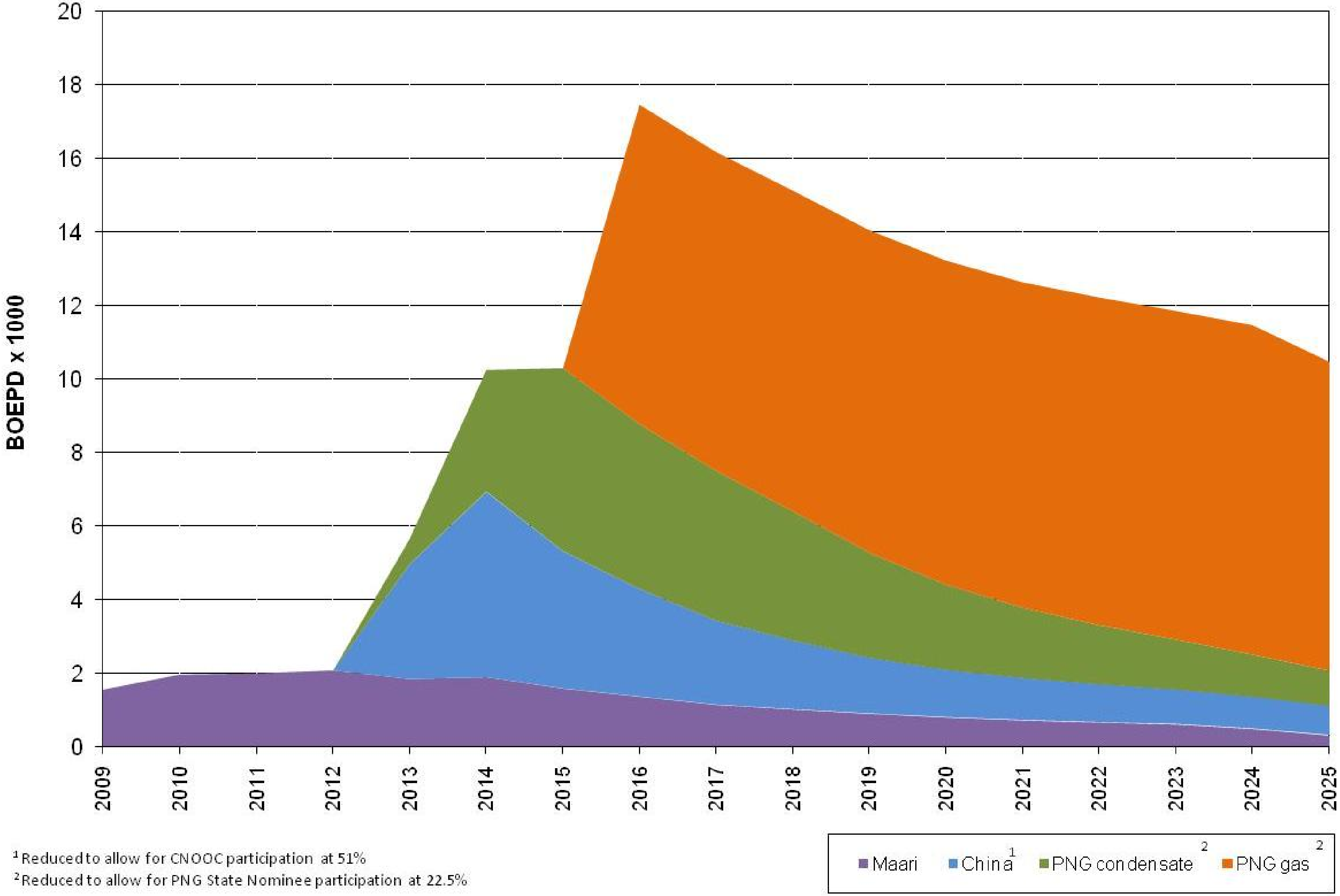
Total 74 mmbo
140 bcf

[1] Reduced to allow for CNOOC participation at 51%
[2] Net of production through 31 December 2010
[3] Subject to reduction to allow for PNG State Nominee participation at 22.5%

Total reserves and resources – 90 mmboe

Exploration potential – 97 mmboe

Net Production Forecast

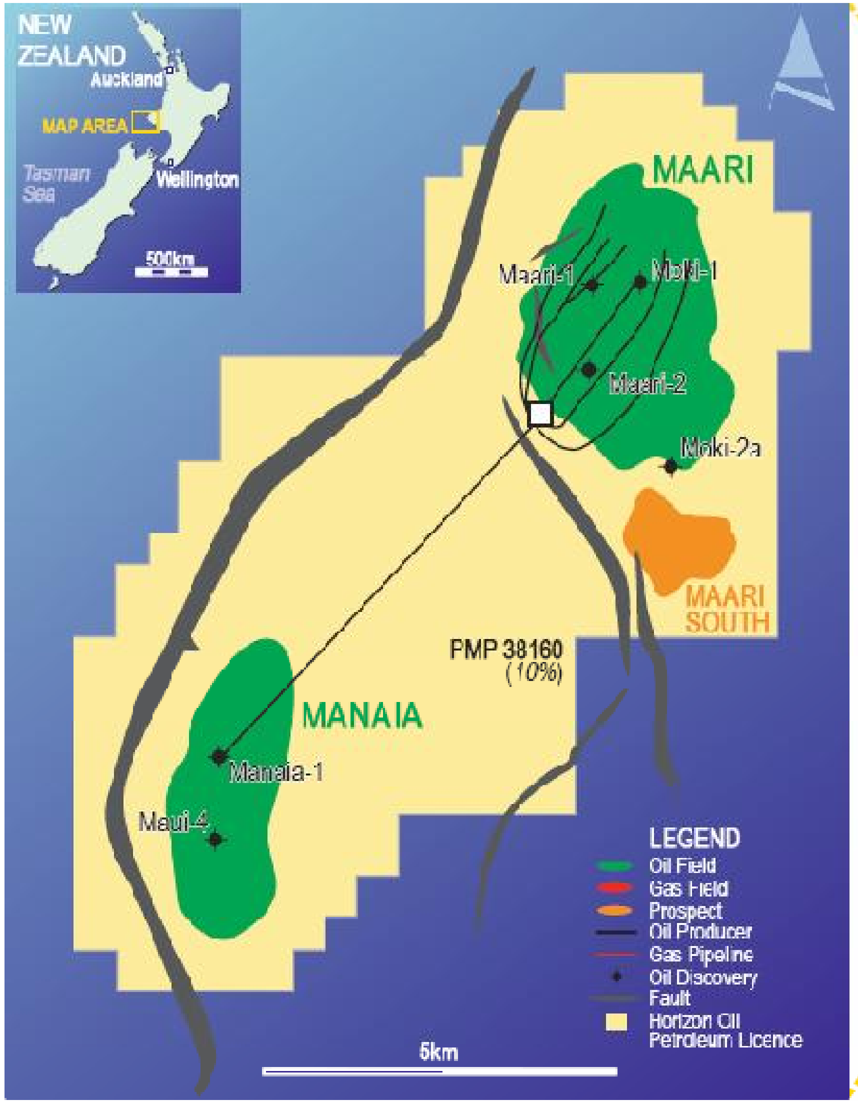


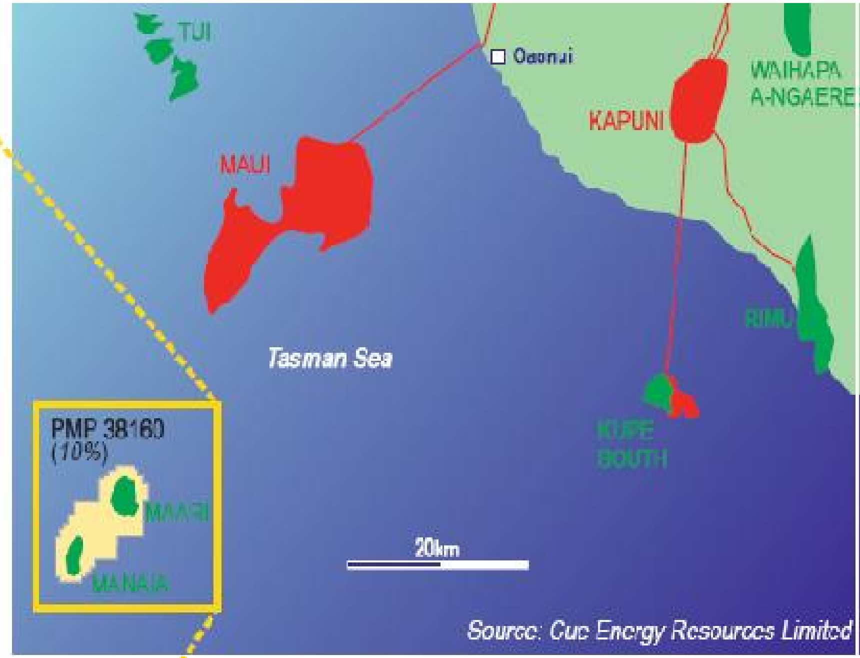
[1] Reduced to allow for CNOOC participation at 51%

[2] Reduced to allow for PNG State Nominee participation at 22.5%

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

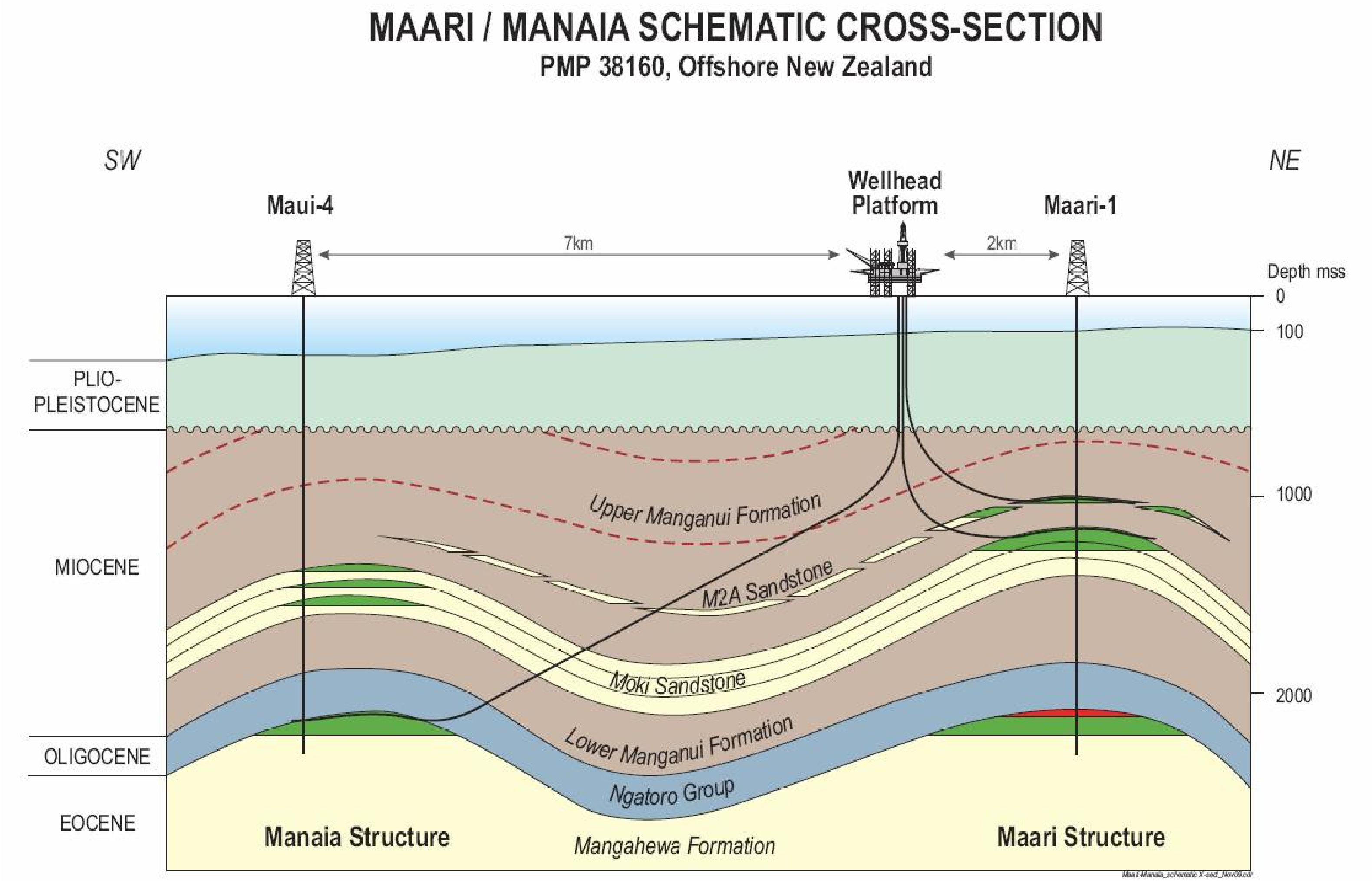
Maari Development Concept

- 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

- Maari Moki zone developed with 5 producer wells and 3 water injectors – 60 mmbo recoverable reserves
- Successful appraisal / development wells drilled from platform on secondary zones – M2A sands and Manaia Mangahewa formation, both wells equipped for production
- Nameplate capacity of facilities 35,000 bopd, forecast production rate for 2011 20,000 bopd
- Production to date 14.3 mmbo, generating gross revenue of over US$1 billion since March 2009
- High quality crude receiving premium to dated Brent price
- Focus now on production optimisation and “Greater Maari Area” development

Maari Upside Potential

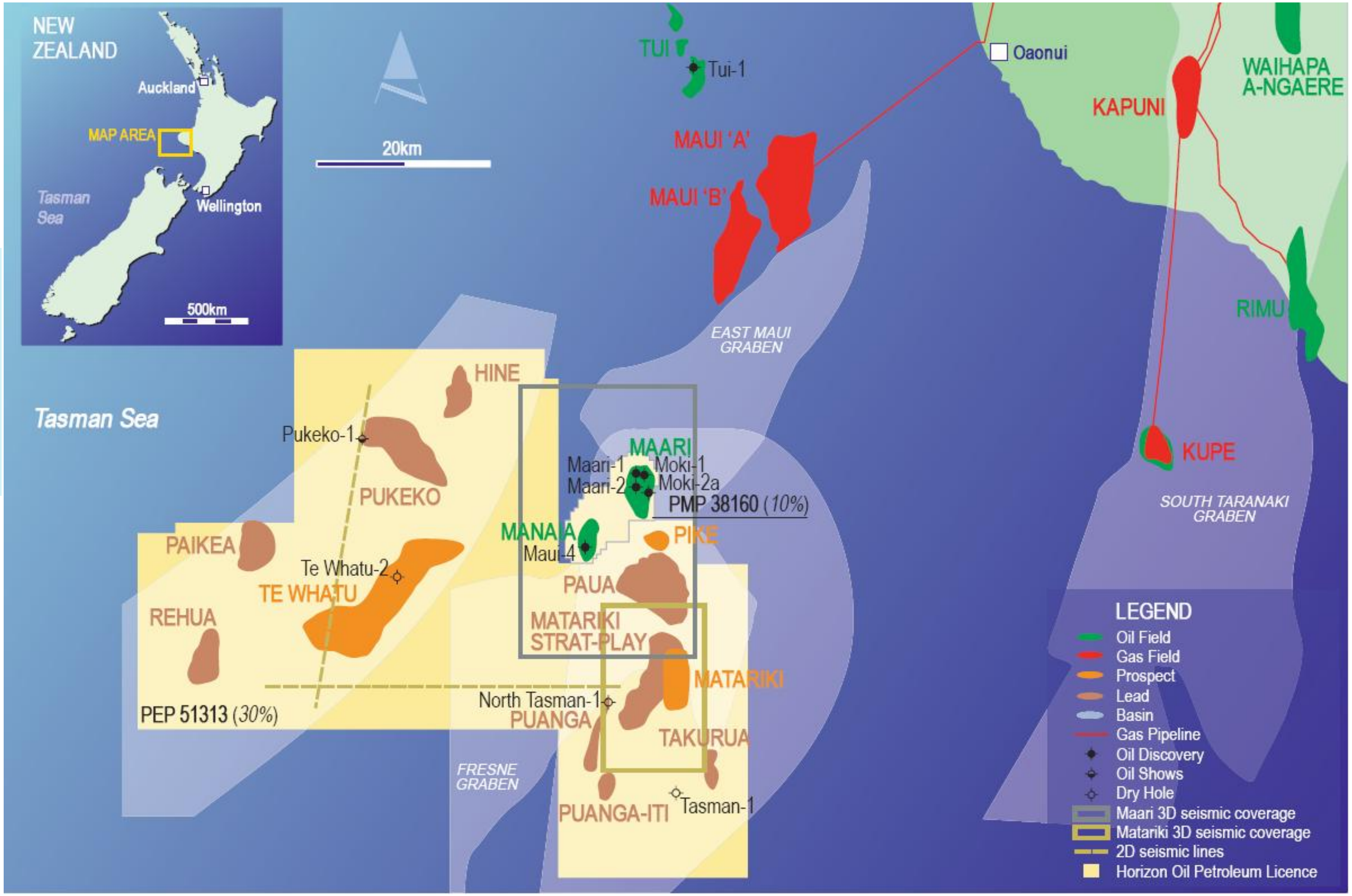


Potential to increase recoverable reserves from 60 mmbo to 80 – 100 mmbo

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

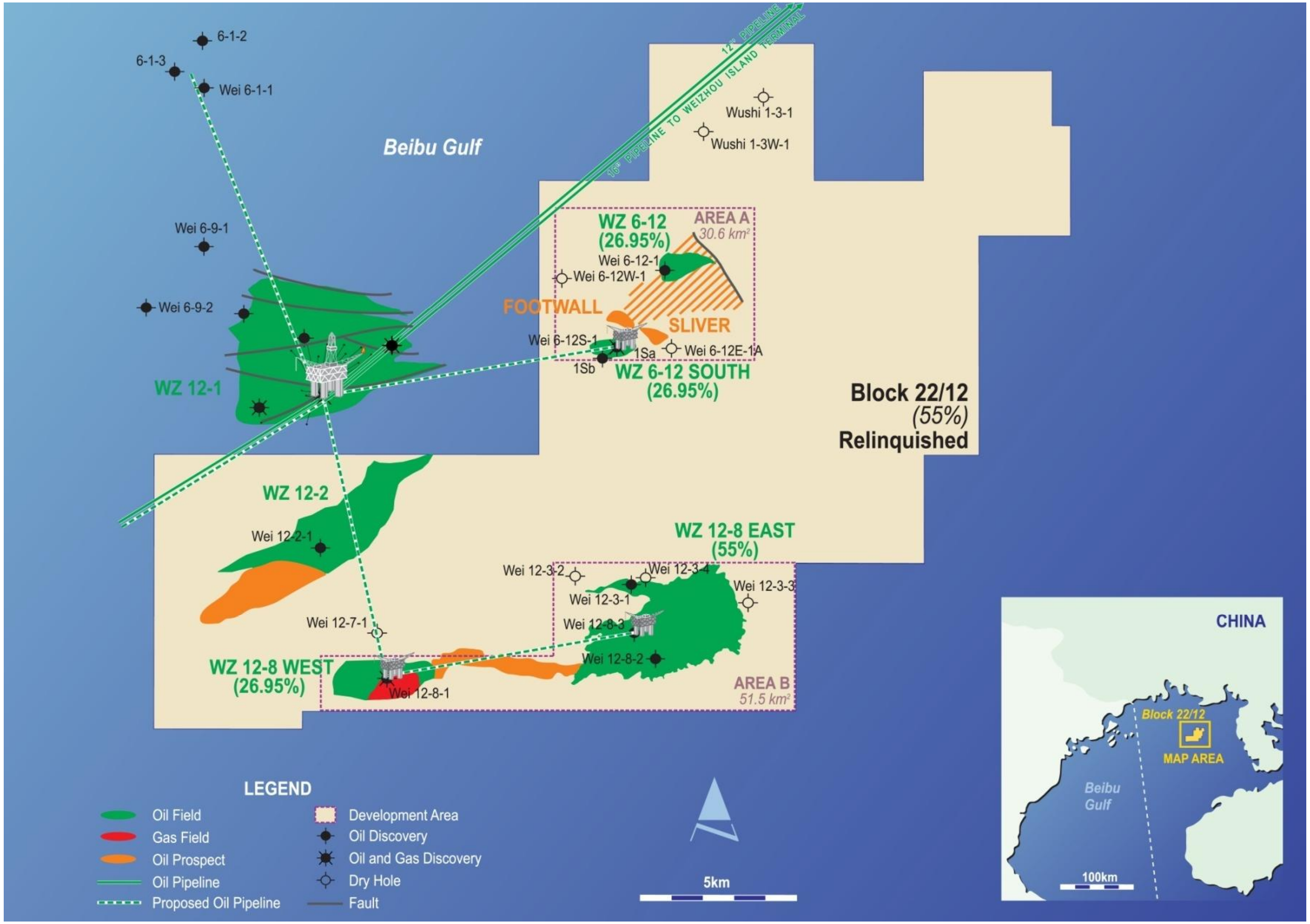
China 22/12 – Discoveries and Prospects

Horizon Oil

176 mmbo-in-place discovered…

Block 22/12 Post-CNOOC Back-in:

HZN	26.95%
CNOOC	51.00% (Op)
ROC	19.60%
Majuko Corp	2.45%



…development underway, on stream late 2012

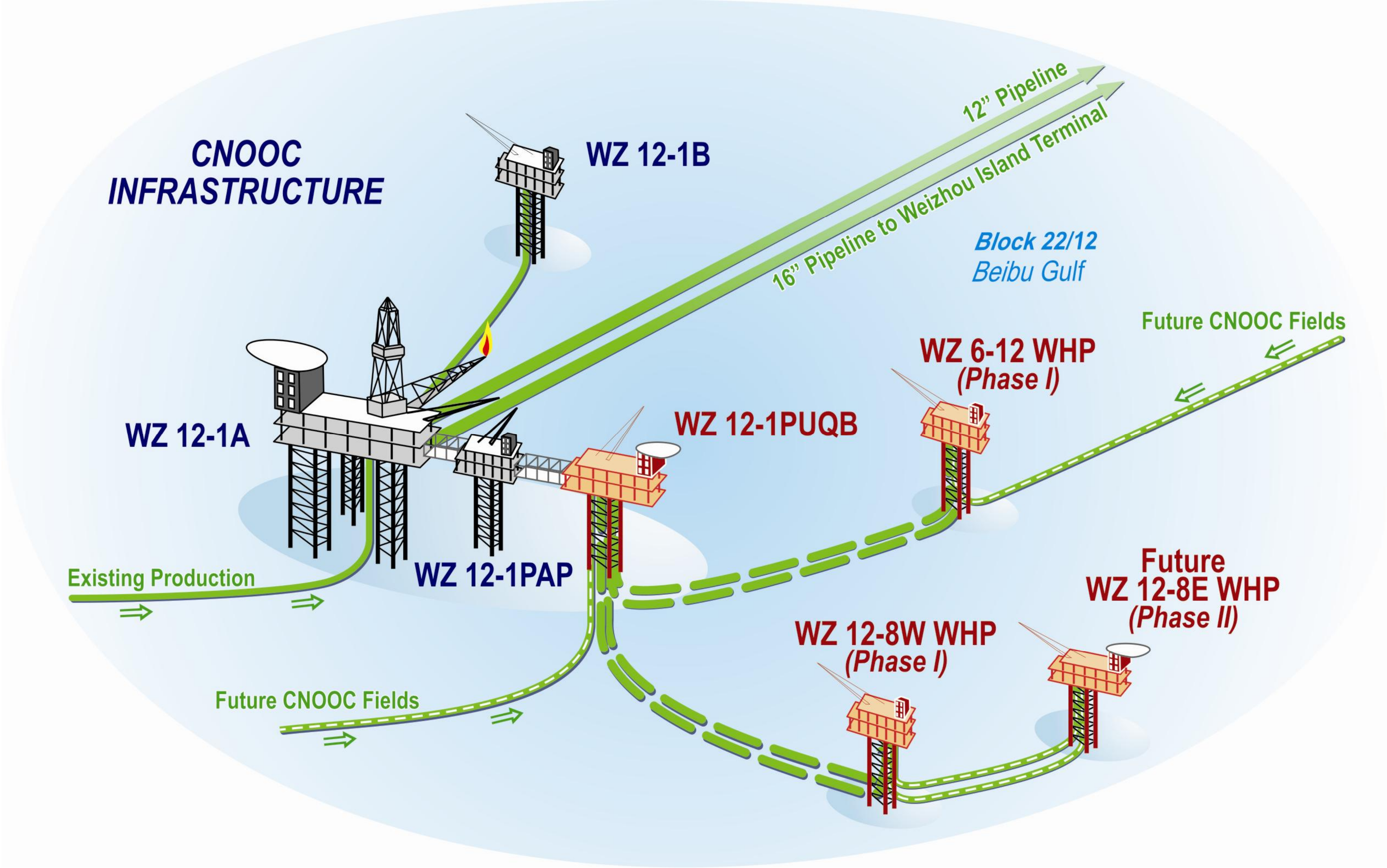
Block 22/12 Development Plan – Key Points

Horizon Oil

- Relatively uncomplicated development in 40 – 60 m water depth; reasonable metocean conditions
- Operator CNOOC is experienced in the region and capable; project management team established and development work underway
- 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
- 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
- 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

Horizon Oil



Block 22/12 recent acquisition overview

Horizon Oil

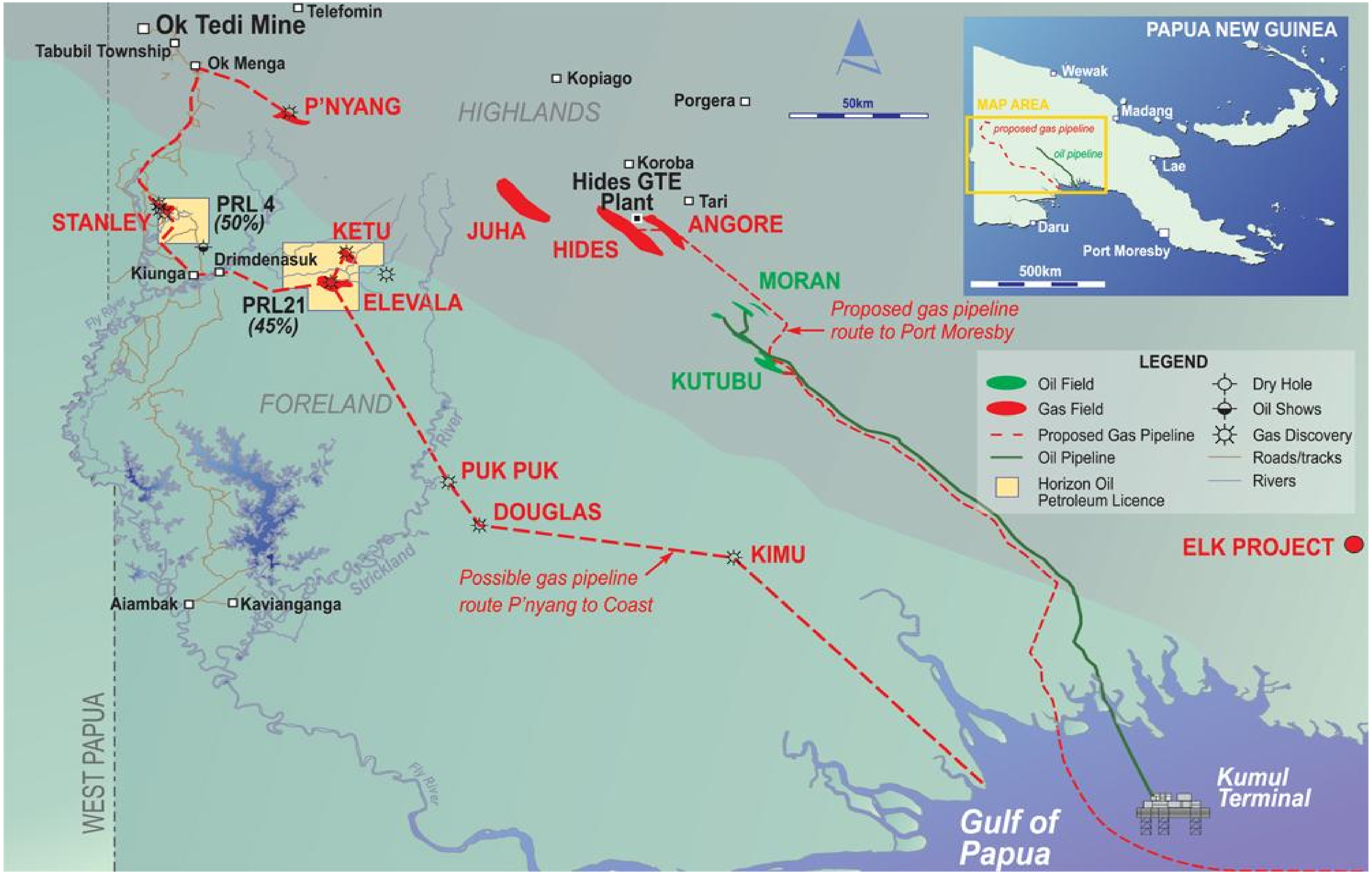
- Terms
  - Consideration of A$38m in cash and 15m options in Horizon Oil stock with an exercise price of A$0.37 and 3 year term
  - Conditions precedent satisfied and no pre-emptive rights exist; transaction endorsed by CNOOC and completed on 6 June 2011

- Investment highlights
  - Price is materially value accretive based on consensus broker valuation of Block 22/12
  - Increases Horizon Oil's net reserves in Block 22/12 from 6.1 mmbo to 11.2 mmbo and share of peak production from approximately 2,200 bopd to 4,000 bopd
  - Upside exploration potential in WZ6-12 area to be evaluated during development drilling campaign

- Acquisition funding
  - Purchase price and additional development cost to be funded by US$80 m convertible bond issue
  - Key features of convertible bond: 5 year term, coupon 5.5% pa, redemption price 108.8% of principal, subordinated to existing and future secured lenders, conversion price US$0.52 (29% premium to USD equivalent share price at book build date), conversion price reset review dates at 2nd, 3rd and 4th anniversary of issue, subject to floor of US$0.416.

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 21 – Papua New Guinea

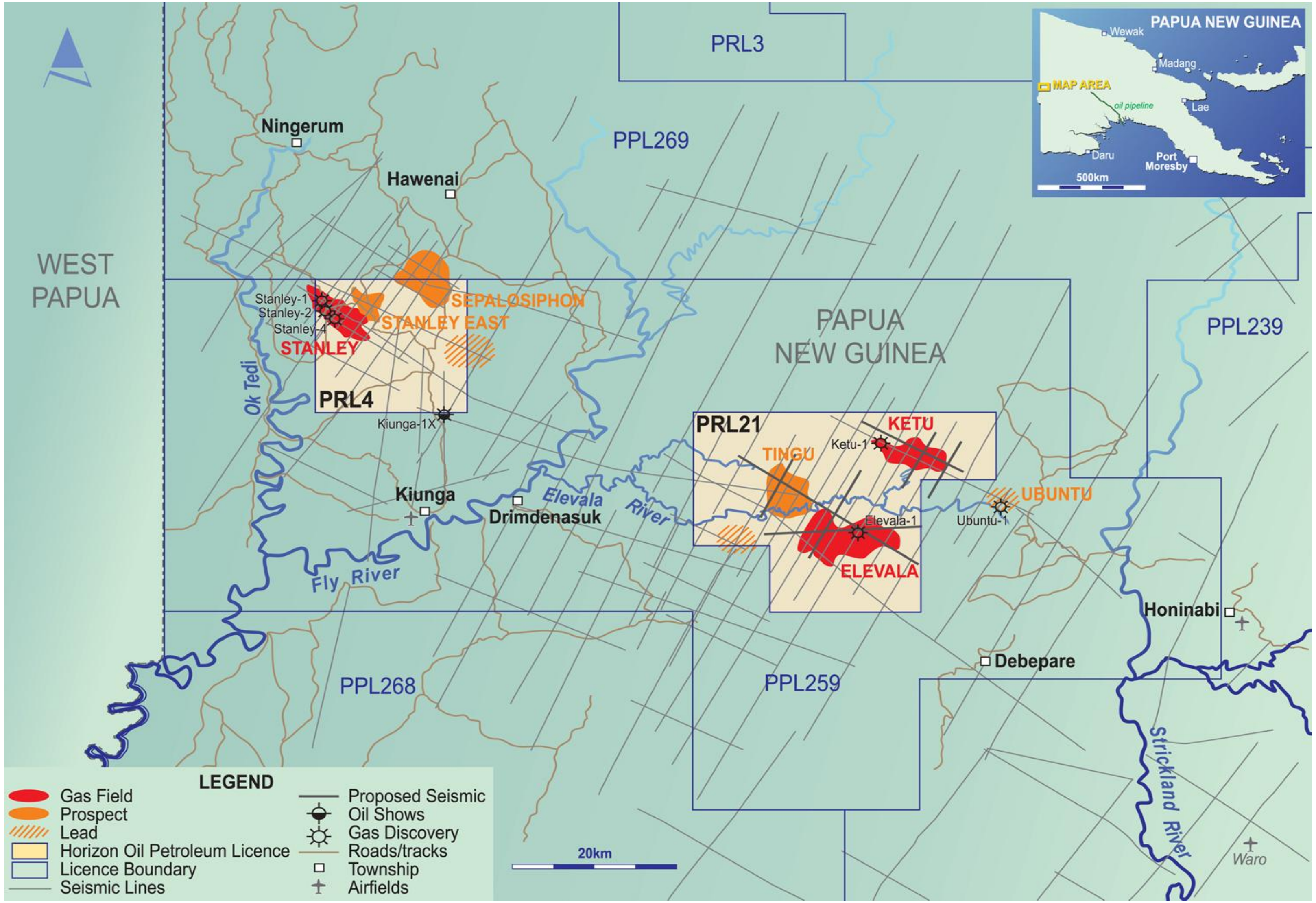
Possible recoverable resources of 1 – 2 tcf gas and 40 – 70 mmbo condensate…

PRL 4:

HZN	50% (Op)
Talisman	50%

PRL 21:

HZN	45% (Op)
Talisman	35%
Dabajodi	20%



…condensate stripping phase planning underway

Western Province Play – Papua New Guinea

Horizon Oil

- Significant resource position, joint venture with partner Talisman Energy Inc. in:-
  - PRL 4 (Stanley gas / condensate discovery) – 50%
  - PRL 21 (Elevala and Ketu gas / condensate discoveries) – 45%
- 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
- Development drilling program underway with very good results at Stanley-2 and -4
- Good progress being made on regulatory issues associated with Stanley development – Field Development Plan lodged
- Negotiations underway to supply gas to local and regional consumers
- Gas export phase to occur later, operated by Talisman - assembling large gas aggregation play
- Drilling program:- (Sepalosiphon-1), Elevala-2, Ketu-2

Analysts' Valuations

Horizon Oil

Firm	Date of research	Target share price	Recommendation
UBS	3 Jun 11	$0.57	BUY
Euroz	3 Jun 11	$0.37	HOLD
Macquarie Equities	3 Jun 11	$0.58	BUY
Merrill Lynch	2 Jun 11	$0.47	BUY
Moelis & Co	6 Jun 11	$0.70	BUY
Morgan Stanley	6 Jun 11	$0.45	BUY
Patersons	3 May 11	$0.45	BUY
RBS Morgans	1 Apr 11	$0.43	HOLD
Stock Analysis	8 Jun 11	$0.53	BUY
Southern Cross Equities	3 Jun 11	$0.57	BUY
Wilson HTM	7 Jun 11	$0.45	BUY

HZN Share Price … Catalysts for Re-rating

- Achievement of construction milestones on Block 22/12 development
- Final Investment Decision on Stanley condensate stripping project
- Progress on gas sales to regional PNG consumers
- Progress by Talisman on Western Corridor gas aggregation (export) scheme
- Begin appraisal drilling on Elevala and Ketu discoveries in PRL 21
- Exploration success
  - PMP 38160, Maari /Manaia
  - PEP 51313, New Zealand – Matariki, Pike, Te Whatu, Pukeko
  - PNG – Sepalosiphon, Tingu
  - Block 22/12 – WZ6-12 close-in and deeper prospects

Coming up in 2011…Management Priorities

- 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 21, Papua New Guinea
  - Drill Elevala-2 and Ketu-2 wells
  - Field development planning for Stanley
  - Mature exploration prospect inventory for drilling

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

Detailed Investor Presentation

Latest Quarterly Report

Analyst reports on HZN

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.

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