



Horizon Oil Limited ABN 51 009 799 455

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27 September 2011

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

**HORIZON OIL (HZN)
APPENDIX 3Y – LAPSE OF OPTIONS**

Please find attached an Appendix 3Y in relation to employee options which lapsed on 1 September 2011.

The attached Appendix 3Y has been lodged outside the required 5 business day period owing to an oversight. At the time of the lapse of the options, the relevant director and the company secretary were on leave.

Directors of the Company are required to advise the Company of any dealings in the Company's securities. However, the lapse of options is a contractual arrangement which occurs without any action being taken by directors. The Company has since put in place a mechanism to advise directors in advance of the lapse of options, and accordingly the directors are required to include the lapse of options in their disclosure to the Company of dealings in the Company's securities.

Yours faithfully,

Michael Sheridan

Chief Financial Officer / Company Secretary



For further information please contact:

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Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	Horizon Oil Limited
ABN	51 009 799 455

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Brent Emmett
Date of last notice	8 February 2011

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct Interest
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	1 September 2011
No. of securities held prior to change	13,802,607 ordinary shares – fully paid 15,150,000 employee options to acquire ordinary shares 2,713,714 share appreciation rights
Class	Ordinary shares – fully paid
Number acquired	Nil
Number disposed	7,500,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	A\$Nil
No. of securities held after change	13,802,607 ordinary shares – fully paid 7,650,000 employee options to acquire ordinary shares 2,713,714 share appreciation rights

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Lapse of employee options issued under the Company's employee incentive schemes
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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺ closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.