



Horizon Oil Limited ABN 51 009 799 455

Level 7, 134 William Street, Woolloomooloo NSW Australia 2011

Tel +61 2 9332 5000, **Fax** +61 2 9332 5050 www.horizonoil.com.au

23 November 2012

The Listings Adviser
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Attention: Ms Lisa Banh

Dear Lisa,

HORIZON OIL LIMITED 2012 ANNUAL REPORT - DIVERSITY

I refer to your recent request for additional information regarding Horizon Oil Limited's adherence to the ASX Corporate Governance Council's recommendations in relation to the Company's diversity policy disclosures.

The primary recommendation is that companies establish a policy concerning diversity and disclose the policy or a summary of that policy. Horizon Oil's code of conduct, referred to and incorporated by such reference in the Annual Report, outlines Horizon Oil's commitment in promoting and developing a diverse workforce and providing a work environment in which all its employees are treated fairly.

As outlined in the code of conduct, merit is the primary basis for employment with Horizon Oil and all employees and applicants for employment are treated and evaluated according to their job-related skills, qualifications, abilities and aptitudes. The Company's policy prohibits decisions based on characteristics such as gender, age, race, religion, marital status, sexual preference or political belief.

In order to provide context to the information provided, the Horizon Oil group has 19 employees, 15 of whom are based in Australia.

In accordance with your request, please find attached additional information in respect of Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations, with particular emphasis given to recommendations 3.2, 3.3, 3.4 and 3.5.

Yours faithfully,

Michael Sheridan
Chief Financial Officer / Company Secretary



For further information please contact:

Mr Michael Sheridan

Telephone: (+612) 9332 5000

Facsimile: (+612) 9332 5050

Email: exploration@horizonoil.com.au

Or visit www.horizonoil.com.au

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.2

"Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them."

Horizon Oil strongly values diversity and recognises the benefits it can bring to its ability to achieve its goals. Accordingly, Horizon Oil has a corporate Code of Conduct ('Code'), approved by the board, which outlines Horizon Oil's commitment to promoting and developing a diverse workforce and providing a work environment in which all its employees are treated fairly.

In addition to the Code and, in accordance with the ASX Corporate Governance Principles and Recommendations, Horizon Oil's Diversity Policy outlines the Company's gender diversity objectives. It includes requirements for the board to establish measurable objectives for achieving gender diversity, and for the board to assess annually the objectives and Horizon Oil's progress in achieving them.

As outlined in the Code and Diversity Policy, merit is the basis for employment with Horizon Oil and all employees and applicants for employment are treated and evaluated according to their job-related skills, qualifications, abilities and aptitude. Diversity is applicable to all levels of the organisation, including senior executive and board positions, and all appointment processes are conducted in a manner that promotes gender diversity in accordance with the Code and Diversity Policy.

Recommendation 3.3

"Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them."

In accordance with this policy and ASX Corporate Governance Principles, the board has established the following measurable objectives in relation to gender diversity in 2013:

- implement an education programme on the Diversity Policy within the organisation; and
- subject to the Company's personnel requirements and merit increase representation of women in management roles and under-represented roles.

Recommendation 3.4

"Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board."

The proportion of Australian based female employees in the organisation is 47% (seven of fifteen).

The three executive managers of the Company are male, as are the four non-executive directors of the Company. The gender of the executive managers and non-executive directors of the board is assessable by inspection in the Annual Report.

Recommendation 3.5

"Companies should provide the information indicated in the Guide to reporting on Principle 3."

The Code and Diversity Policy are available in the Corporate Governance section of Horizon's website at www.horizonoil.com.au.



ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

13 November 2012

Telephone 61 2 9227 0656
Facsimile 61 2 9241 7620
www.asx.com.au

Michael Sheridan
Company Secretary
Horizon Oil Limited
Suite 1, Level 10
100 William Street
SYDNEY NSW 2011

By Email

Dear Mr Sheridan,

Horizon Oil Limited (the “Company”)

We refer to the Company’s annual report for the year ended 30 June 2012 (“Annual Report”) released to the market on 19 October 2012, the Company’s disclosures about its corporate governance practices and in particular its diversity policy.

Listing rule 4.10.3 requires that an entity include in its annual report:

“A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed.”

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

“Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board.”

More specifically the following recommendations set out in more detail the requirements:-

Recommendation 3.2

“Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.”

Recommendation 3.3

“Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.”

Recommendation 3.4

“Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.”

Recommendation 3.5

“Companies should provide the information indicated in the Guide to reporting on Principle 3.”

The Listed Entities Updates dated 1 October 2010 and 7 February 2012 reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (“ASXL”) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company’s Annual Report, ASXL could not identify a statement in the Annual Report confirming whether the Company had followed or not followed all the diversity recommendations of the Council and providing relevant disclosures.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities’ disclosures about the Council’s corporate governance recommendations.

In light of the Company’s non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail at **lisa.banh@asx.com.au**. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **3.30pm E.S.T. on Tuesday, 20 November 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company’s securities from quotation until the Company releases to the market a diversity policy that discloses the required information.

If you have any queries about this letter, or about the Council’s recommendations and the Company’s reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Lisa Banh
Adviser, Listings