No:

ASX Circular

Date: 5 August 2013

Key topics

1. Horizon Oil Limited
2. Accelerated Non - Renounceable Entitlement Offer
3. ASX Code: HZN

Reading List

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Authorised by

Adrian Smythe

Contact

Lisa Banh

ASX Limited
ABN 98 008 624 691
Exchange Centre
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square NSW 1215

Internet: http://www.asx.com.au

HORIZON OIL LIMITED – ACCELERATED NON RENOUNCEABLE ENTITLEMENT OFFER

Participating Organisations are advised that Horizon Oil Limited (the "Company") announced a 1 for 7 accelerated non-renounceable pro rata entitlement offer (the "Entitlement Offer"), of new ordinary shares at an issue price of $0.33 per share (the "Offer Price") to raise up to approximately $53.5 million.

The Entitlement Offer has two components:

- an institutional entitlement offer, where offers have been made to qualifying institutional shareholders for them to apply for their pro-rata entitlement (the "Institutional Entitlement Offer"); and
- a retail entitlement offer, where offers will be made to qualifying retail shareholders for them to apply for their pro-rata entitlement ("Retail Entitlement Offer").

The Record Date for the Entitlement Offer is Tuesday, 6 August 2013.

The Retail Entitlement Offer is expected to close on Friday, 23 August 2013.

New ordinary shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue.

The anticipated timetable in relation to the Entitlement Offer is set out below.

Event	Date
Trading Halt commenced	Wednesday, 31 July 2013
Institutional Entitlement Offer Opens	Wednesday, 31 July 2013
Institutional Entitlement Offer Closes	Thursday, 1 August 2013
Trading Halt lifted	Thursday, 1 August 2013
Record Date for Entitlement Offer	7:00pm (AEST), Tuesday, 6 August 2013
Settlement of Institutional Entitlement Offer	Wednesday, 14 August 2013
Issue of new shares under Institutional Entitlement Offer Trading commences in new shares issued under Institutional Entitlement Offer	Thursday, 15 August 2013
Retail Entitlement Offer opens Retail Entitlement Offer despatched	Friday, 9 August 2013
Retail Entitlement Offer closes	Friday, 23 August 2013
Settlement of Retail Entitlement Offer	Friday, 30 August 2013
Issue of new shares under Retail Entitlement Offer	Monday, 2 September 2013
Trading commences in new shares issued under Retail Entitlement Offer Issue of holding statements	Tuesday, 3 September 2013

Settlement issues

Despite the fact that securities are trading “ex entitlement” on ASX Trade, CHESS will not recognise for settlement purposes the “ex entitlement” or the “cum entitlement” tag on CHESS messages and CHESS will not maintain cum balances during the deemed “CHESS ex-period”, i.e. the period commencing on the deemed CHESS Ex-Date up to and including the record date. However, a record date cum balance will be available the business day following the record date, which will be equal to the registered holding balance at CHESS end of day on the record date. As a result any transfer that occurs prior to record date will be effectively transferred on a “cum” basis.

Therefore, Participants must ensure that any transfer, including the priming of Broker Entrepot Accounts, is conducted in accordance with the basis of quote. For example, a transfer in relation to a transaction conducted on an ex-basis should ordinarily only occur post record date.

CHESS will perform automatic diary adjustments to “cum entitlement” settlement obligations outstanding as at the record date.

Trading issues

ASX will not price a “cum” market with respect to trading in the Company’s securities. Persons who acquire the Company’s securities after the commencement of the trading halt on Wednesday, 31 July 2013 are not entitled to participate in the Entitlement Offer.

Further information

For further details, please refer to the Company’s announcements on Wednesday, 31 July 2013.