



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

9 August 2013

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

**HORIZON OIL (HZN)
CONVERTIBLE BONDS CONVERSION PRICE ADJUSTMENT**

Horizon Oil Limited ("Horizon Oil") (ASX: HZN) advises an adjustment to the Conversion Price in connection with the US\$80 million 5.5% convertible bonds due 2016.

The Terms and Conditions of the convertible bonds, as set out in the Offering Circular dated 14 June 2011 ("Terms and Conditions") provide for an adjustment to the Conversion Price in certain situations.

Whenever shares are issued at less than 95% of the arithmetical average of the Volume Weighted Average Prices ("Average VWAP") for the 5 consecutive Dealing Days immediately prior to a capital raising launch, the Conversion Price will be adjusted.

The announcement by the company on 31 July 2013 of an accelerated non-renounceable pro-rata entitlement offer will result in the issuance of 162,180,930 new shares at A\$0.33. The Average VWAP in the relevant period was A\$0.378. The entitlement offer represents an issuance at 87.3% of the Average VWAP. Accordingly, the Conversion Price of the convertible bonds will be adjusted from US\$0.416 to US\$0.409 with effect prior to the issue of new shares on 15 August 2013.

Yours faithfully,

Richard Beament

Manager – Finance & Commercial/Assistant Company Secretary



For further information please contact:

Mr Richard Beament

Telephone: (+612) 9332 5000

Facsimile: (+612) 9332 5050

Email: exploration@horizonoil.com.au

Or visit www.horizonoil.com.au