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

HORIZON OIL (HZN) ADVISES DEVELOPMENT DRILLING CAMPAIGN COMPLETED ON BEIBU GULF PROJECT, OFFSHORE CHINA

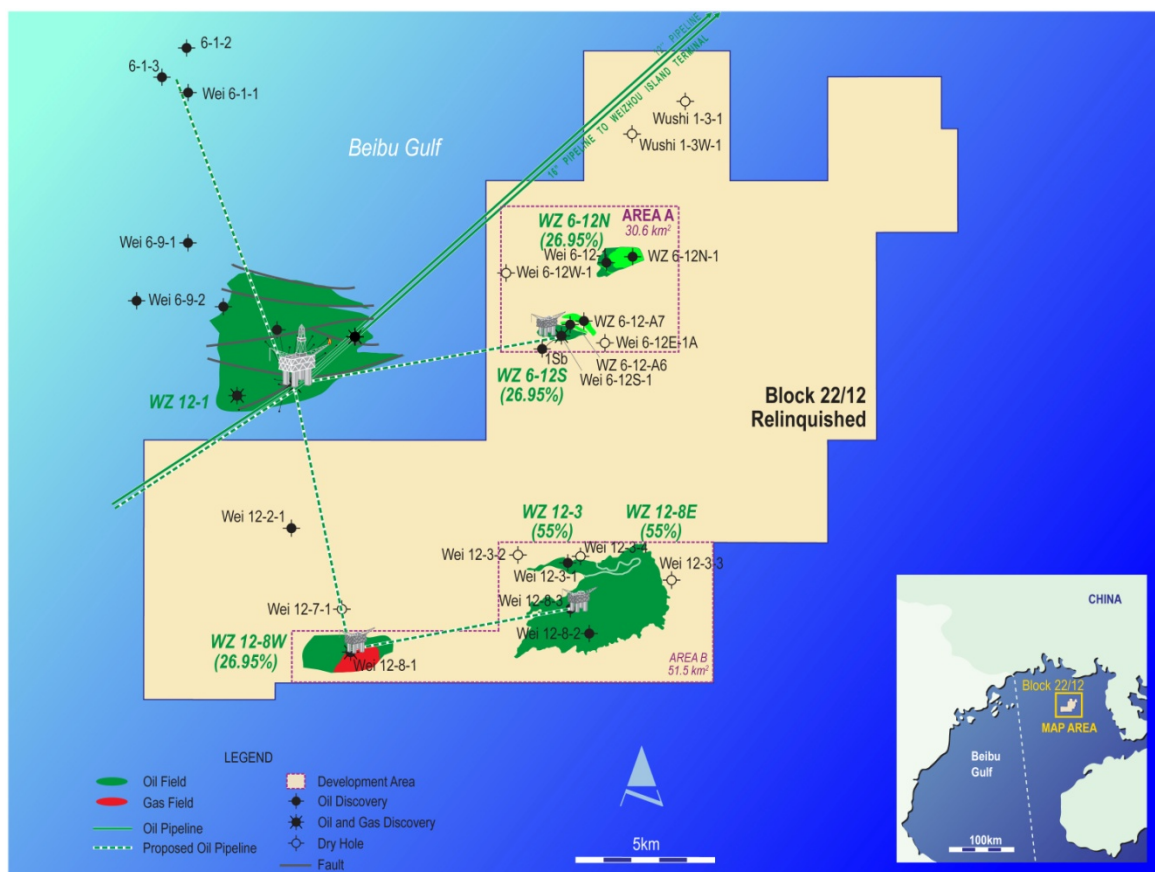
Horizon Oil Limited advises that the final stage of the Beibu Gulf Block 22/12 development drilling has been completed with the successful conclusion of the five well drilling program on the WZ 12-8W field (see map below). The *HYSY 931* jack-up drilling rig was released at midnight local time on 17 August 2013.

The development drilling campaign was completed safely, significantly ahead of schedule and within budget. Relatively minor further work is required to fully complete the development project. CNOOC Limited has done a commendable job of operating the project.

This concludes the fifteen well Beibu Gulf development program, designed to maximise production from both the original field development plan and develop additional reserves discovered during the successful 2012 Beibu near-field exploration campaign.

Production from the 10 wells drilled from the WZ 6-12 platform is averaging about 10,000 bopd gross, of which Horizon Oil's share is 2,700 bopd. All five wells drilled from the WZ 12-8W platform have been equipped for production and are currently producing on natural flow. Meaningful production information will become available after the downhole pumps have been switched on.

Peak plateau production from the project is anticipated during 3Q 2013 at rates of 16,000 – 18,000 bopd, of which Horizon Oil's share will be approximately 4,500 bopd.



Participating interests in the Beibu Gulf Development Project are:

Horizon Oil (Beibu) Ltd and wholly-owned subsidiary ¹	26.95%
CNOOC Limited	51.0%
Roc Oil (China) Company	19.6%
Oil Australia Pty Ltd (Majuko Corp)	2.45%

Yours faithfully,

Michael Sheridan

Chief Financial Officer/Company Secretary



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¹ Petsec Petroleum LLC holding a 12.25% interest