



Horizon Oil Limited ABN 51 009 799 455

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30 August 2013

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

Dear Sir,

HORIZON OIL LIMITED RETAIL ENTITLEMENT OFFER – APPENDIX 3B

Attached is the Appendix 3B associated with completion of the retail component of the accelerated non-renounceable pro-rata entitlement offer of ordinary shares announced by the company on 31 July 2013.

An updated list of the top twenty shareholders and distribution of shareholders following the issue of shares will be released following allotment of the shares on or about 2 September 2013.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Sheridan". The signature is fluid and cursive, with a large, stylized 'M' and 'S'.

Michael Sheridan

Chief Financial Officer / Company Secretary



For further information please contact:

Mr Michael Sheridan

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Or visit www.horizonoil.com.au

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Horizon Oil Limited

ABN

51 009 799 455

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Further to the Appendix 3B dated 31 July 2013 and 13 August 2013, 62,886,971 ordinary shares will be issued under the retail component of the accelerated pro-rata entitlement offer announced on 31 July 2013 (Offer). This amount also includes ordinary shares issued to underwriters in relation to shares not taken up by retail shareholders. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5 Issue price or consideration	\$0.33 per share
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The proceeds of the Offer will be used to continue the company's planned exploration and development work program for Papua New Guinea and together with cashflow from the Maari field and Beibu Gulf fields will address other opportunities and commitments in New Zealand and China.
6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i	No
6b The date the security holder resolution under rule 7.1A was passed	
6c Number of ⁺securities issued without security holder approval under rule 7.1	
6d Number of ⁺securities issued with security holder approval under rule 7.1A	

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)							
6f	Number of securities issued under an exception in rule 7.2							
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.							
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements							
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	On or about 2 September 2013 in respect of the ordinary shares to be issued under the Retail Entitlement Offer.						
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 60%;">Number</th> <th style="width: 40%;">+Class</th> </tr> <tr> <td style="vertical-align: top;">1,297,449,932</td> <td style="vertical-align: top;">Ordinary shares</td> </tr> <tr> <td style="height: 100px;"></td> <td></td> </tr> </table>	Number	+Class	1,297,449,932	Ordinary shares		
Number	+Class							
1,297,449,932	Ordinary shares							

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Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	3,000,000	Partly paid shares
	13,973,000	Options issued under Company's employee incentive schemes
	19,000,000	General options
	31,281,639 (3,465,243 which are subject to shareholders' approval)	Share appreciation rights
	400	Convertible bonds
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 new ordinary share for every 7 existing ordinary shares held as at the record date for the Offer
14 +Class of +securities to which the offer relates	Fully paid ordinary shares
15 +Record date to determine entitlements	7.00pm 6 August 2013
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17 Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements under the Offer, the number of shares will be rounded up to the nearest whole number of shares
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand including, in particular, any security holder that is in the United States, or is, or is acting for the account or benefit of a U.S. person

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	23 August 2013 for the Retail Entitlement Offer
20	Names of any underwriters	UBS AG, Australia Branch
21	Amount of any underwriting fee or commission	A fee of 3.0% of the Retail Entitlement Offer (Retail Fees), being comprised 66.66% of an underwriting fee and 33.33% of a management fee in respect of the Retail Entitlement Offer. As set out in the Appendix 3B dated 31 July 2013 and 13 August 2013, a fee of 3.0% of the Institutional Entitlement Offer proceeds was also payable in respect of the institutional component of the Offer. An incentive fee of up to 1.0% of the Offer proceeds may also be paid by the company to the underwriter in its discretion.
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus. However a Retail Offer Booklet together with an entitlement and acceptance form was sent to eligible retail shareholders on or about 9 August 2013.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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|----|--|-------------------------------------|
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | ⁺ Despatch date | Refer to Item 7 of this Appendix 3B |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 80px;"></td> <td style="height: 80px;"></td> </tr> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Print name: Michael Sheridan
 Company Secretary

Date: 30 August 2013

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⁺ See chapter 19 for defined terms.