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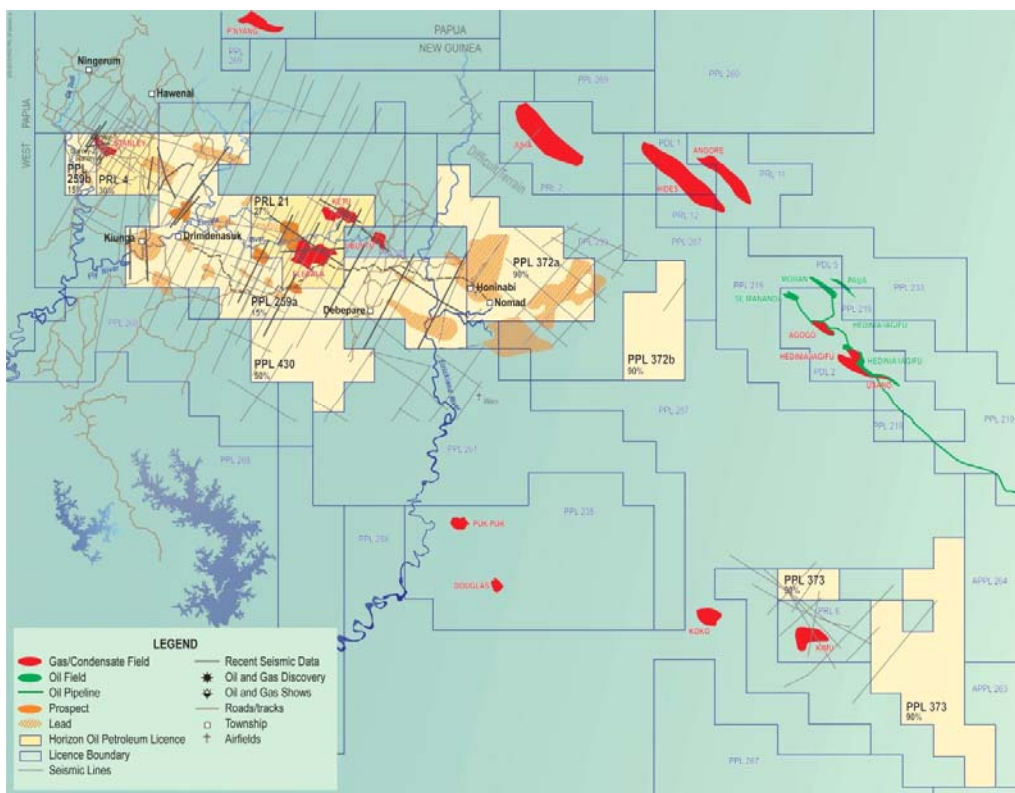
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The Manager, Company Announcements
Australian Securities Exchange Limited
Exchange Centre
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HORIZON OIL (HZN) ADVISES UPDATE ON TINGU-1 EXPLORATION WELL IN PAPUA NEW GUINEA

Horizon Oil advises that a core has been cut in the Tingu-1 exploration well in PRL 21, Western Province, Papua New Guinea over the interval 3,098 - 3,126 m, which includes the primary target Elevala Sandstone. Elevated gas readings were recorded over the objective zone.



The current operation is tripping out with the core, after which the well will be drilled to a planned total depth of 3,213 m, and a comprehensive suite of wireline logs and pressure measurements run.

Horizon Oil will advise on the significance of the gas shows when the well logging is completed, expected to be early next week.

Tingu-1 spudded on 26 August 2013 with Parker *Rig 226*. The well is located 9.2 km north west of the Elevala-2 appraisal well, itself a stepout from the Elevala-1 discovery well, which both found condensate-rich gas in the Early Cretaceous Elevala Sandstone.

If successful, Tingu prospect has the potential to be about the same size as Elevala field (2C contingent resource of approximately 400 billion cubic feet of gas and 22 million barrels of condensate). Horizon Oil, as operator of PRL 21, is currently carrying out FEED (front end engineering and design) of the Elevala and Ketu field development. Contingency is being made in the design to add Tingu to the development scope in the event that Tingu-1 is a discovery.

Yours faithfully,



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