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

HORIZON OIL (HZN) ADVISES RE-START OF PRODUCTION AT MAARI FIELD

Horizon Oil is pleased to advise that production at Maari field, offshore New Zealand, re-started on 12 December 2013. The producer wells were progressively brought on line and on 17 December all 6 wells had been successfully returned to production and were producing at a rate of approximately 11,600 barrels of oil per day. The wells are being monitored carefully until they stabilise fully, expected to be within the next several days.

A workover utilising the wellhead platform workover unit is in progress to convert the MR1 well into a water injector. This is part of the Maari growth investment program, designed to enhance production rate and oil recovery from the Maari and Manaia fields.

Horizon Oil previously advised that the FPSO *Raroa* had been disconnected from its mooring and towed to nearby Port Nelson to refurbish and upgrade its process equipment and install a new swivel. At the same time the opportunity was taken to repair several of the buoy mooring lines at the field.

Pleasingly, the upgrade, maintenance and repair works were carried out safely, within budget and the field returned to production on schedule. Horizon Oil estimates its share of the work package to be US\$7 million and of deferred cashflow during field downtime to be approximately US\$5 million. The company expects to recover a proportion of these amounts through insurance.

Participating interests in the Maari/Manaia permit PMP 38160 are as follows:

Horizon Oil International Ltd <i>(a subsidiary of Horizon Oil Ltd)</i>	10%
OMV New Zealand Ltd	69% (Operator)
Todd Maari Ltd	16%
Cue Taranaki Pty Ltd	5%

Yours faithfully,

Michael Lyon

Corporate Counsel/Assistant Company Secretary

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