



Horizon Oil Limited ABN 51 009 799 455
Level 6, 134 William Street, Woolloomooloo NSW Australia 2011
Tel +61 2 9332 5000, Fax +61 2 9332 5050 www.horizonoil.com.au

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

MAARI JOINT VENTURE TO COMPLETE UPGRADE OF FPSO MOORING SYSTEM

Please find attached the media release from OMV New Zealand, operator of Horizon Oil's Maari/Manaia field regarding the upgrade of the FPSO mooring system.

The work, which will "future-proof" the mooring system for the next decade, is to be carried out in late Q1/early Q2 2016 coinciding with the annual 10 day maintenance shutdown. The estimated cost of the works is approximately US\$4 million, net to Horizon Oil, before insurance recoveries. As previously advised by Horizon Oil, the Company recovered US\$7.4 million in insurance proceeds in respect of the swivel repairs and interim mooring line repairs in late 2013.

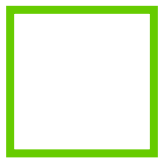
As noted in OMV's release, the mooring system will remain fully certified and operational throughout the works.

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
Telephone: (+612) 9332 5000
Facsimile: (+612) 9332 5050
Email: exploration@horizonoil.com.au
Or visit www.horizonoil.com.au



Maari JV to undertake mooring upgrade

- ▶ Raroa's mooring system to be upgraded
- ▶ Upgrade will future-proof the FPSO
- ▶ DOF wins contract for the work

Upgrade scheduled to begin in February 2016

The Maari joint venture is to undertake a full upgrade on the mooring system of the field's floating production station, the *Raroa*.

Total investment in the system upgrade, including engineering, equipment and construction is estimated to be approximately NZ\$60 million.

The work, expected to be carried out between February and April 2016, will future-proof the mooring system for the next decade.

The upgrade will involve inspection and work on all eight mooring lines, which are permanently anchored to the sea floor, 100m below the surface. They are attached to the vessel via an internal swivel, allowing the ship to rotate freely with the prevailing winds and currents.

Operator OMV New Zealand announced the upgrade today, and said that DOF Subsea Asia Pacific had been awarded the contract for the work following a competitive tender.

OMV Managing Director Peter Zeilinger said the mooring system will remain fully certified and operational throughout the works. Due diligence undertaken when the JV bought the *Raroa* showed the need for the upgrade.

"Maintenance was done on four of the lines in 2013, and further work was anticipated in 2-5 years. We're taking advantage of a lower service price environment and synergies with other work to bring the upgrade forward."

Mr Zeilinger also said the work had been timed to coincide with the annual maintenance shutdown. The vessel *Skandi Hercules* will be used to conduct the upgrade work. She had successfully carried out the earlier work on the *Raroa*'s mooring lines.

All the work to be carried out will be done in accordance with New Zealand regulations and international certification bodies.

ENDS. Media contact: Simone Keough, 021 366 060

Notes to editors:

The Maari Joint Venture

The Maari JV partners are OMV New Zealand Ltd (69%, operator), Todd Maari Ltd (16%), Horizon Oil International Ltd (10%) and Cue Taranaki Pty Ltd (5%). The MV Raroa is a Floating Production Storage and Offloading (FPSO) vessel, permanently moored at the Maari oilfield, 80km offshore in the south Taranaki bight. It processes the oil and condensate pumped up from the field. Oil tankers visit the Raroa periodically to offtake the processed oil stored on board the Raroa.

OMV New Zealand

OMV New Zealand is one of the country's largest liquid hydrocarbon producer, the third largest gas producer, and a major explorer in a number of offshore basins around New Zealand, but particularly the Taranaki Basin. It has been active here since 1999 when it acquired shares in the Maari oil discovery which it developed and now operates. Focusing strictly on exploration and production in New Zealand, OMV New Zealand also holds shares in the Maui and Pohokura gas fields and the Maui pipeline. OMV New Zealand is a subsidiary of OMV Aktiengesellschaft, parent company of OMV Group.

OMV Aktiengesellschaft

With Group sales of EUR 36 bn, a workforce of around 25,500 employees and a market capitalization of EUR 7 bn as of December 31, 2014, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies. In Upstream, OMV is active in two core countries, Romania and Austria, and holds a balanced international portfolio. OMV had proven oil and gas reserves (1P) of approximately 1.1 bn boe as of year-end 2014 and a production of approximately 309 kboe/d in 2014, thereof approximately 85% in EU/OECD countries. In Downstream, OMV has an annual refining capacity of 17.8 mn t and approximately 4,100 filling stations in 11 countries as of end of 2014. In addition, OMV operates a gas pipeline network in Austria and gas storage facilities in Austria and Germany. In 2014, natural gas sales volumes amounted to 114 TWh. OMV holds a 51% stake in the Romanian oil and gas company OMV Petrom S.A. and a 36% stake in Borealis AG, one of the world's leading producers of polyolefins.