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

24 November 2017

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

CORPORATE PRESENTATION

The Chairman's address and CEO's presentation to shareholders at the Company's annual general meeting to be held today at Level 1, Grand Ballroom, The Sydney Boulevard Hotel, 90 William Street, Sydney are attached.

The Annual General Meeting will also be available on live webcast. To register, please copy and paste the link below into your browser:

http://webcasting.boardroom.media/broadcast/59ee9642b08d2638bd14f9e9

Yours faithfully,

Kylie Quinlivan
Corporate Counsel & Assistant Company Secretary

For more information please contact:

Horizon Oil Limited
Brent Emmett Chief Executive Officer
T: +61 2 9332 5000
F: +61 2 9332 5050
E: info@horizonoil.com.au
Level 6, 134 William St
Woolloomooloo NSW 2011
horizonoil.com.au

Media enquiries
Gavan Collery
ResourceComms Pty Ltd
M: +61 419 372 210
E: gavan@resourcecomms.com

CHAIRMAN'S ADDRESS

2017 HORIZON OIL LIMITED AGM

Ladies and Gentlemen

This has been a good year for Horizon Oil in all respects, although the value of your company is not being properly reflected in the share price. Although the share price has doubled since the time of the last AGM, we still have a way to go to see our considerable production and income valued in line with our peers, let alone any value attributed to our large Papua New Guinea resource position.

The highlights of financial year 2017 are summarised in this slide. Oil production and sales were strong at about 4,000 barrels of oil per day net to Horizon Oil, generating net operating cash flow of US$51.7 million, in line with guidance. The average cash operating cost was reduced 21% to US$11 per barrel of oil sold, general and administrative expense was reduced by 21%, and exploration and development expenditure reduced to about one third of the previous year.

These factors contributed to an all-in free cash flow breakeven cost over financial year 2017 of US$32 per barrel. The bulk of the margin was applied to reducing net debt to US$108.5 million.

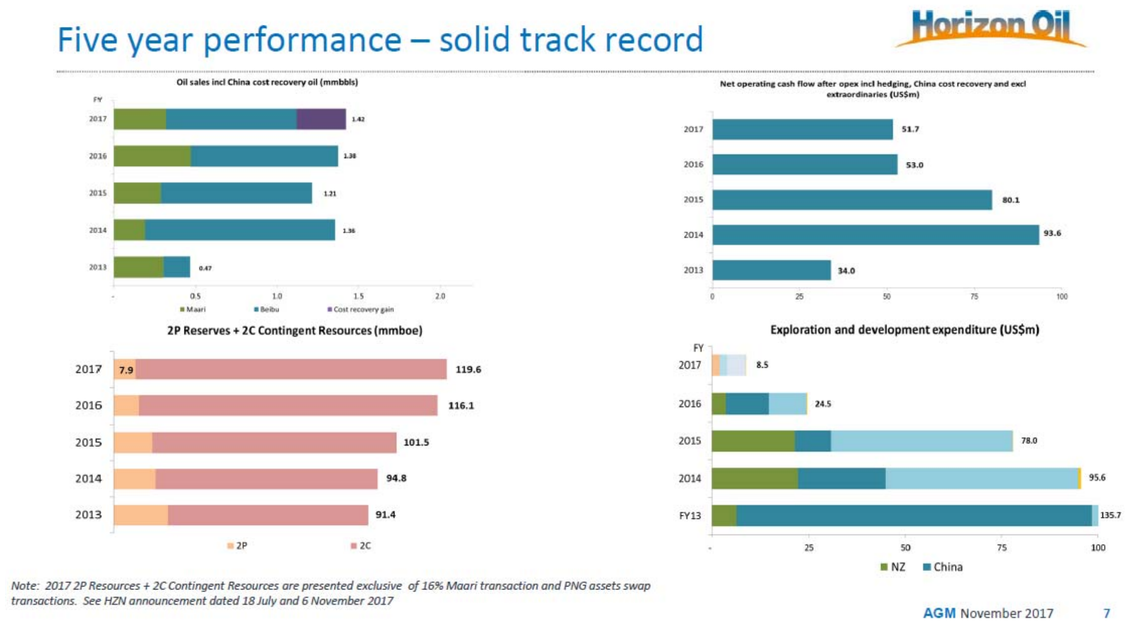
In July 2017 we announced that we had taken advantage of the departure of one of the participants in our PNG venture to broaden and balance our interests in the four licences that will comprise the proposed 1.5 million tonne per annum Western LNG gas aggregation scheme. Our team is making good progress on the project, with the main element now in pre-FEED – which is expected to be completed by year-end.

Financial year 2017 highlights

Horizon Oil

- **Oil sales** volumes 3% **higher** than FY 2016 at 1,421,940 barrels, generating **revenue of US$68.5 million**
- Average **cash operating cost down 21%** to US$11 per barrel of oil sold, driven by further cost savings in response to lower oil prices and a reduction in tariffs applying to Beibu Gulf production
- **Net operating cash flow** from oil sales after operating expense **of US$51.7 million**, in line with FY 2016
- Continuing disciplined control over administrative and capital expenditures
- **Free cash flow breakeven cost over FY 2017 of US$32/barrel** (incl tax, interest and all capex)
- **Net debt reduced to US$108.5 million** (from US$131.9 million at 30 June 2016)
- Beibu Gulf and Maari fields continuing to produce steadily at combined rate of approximately 4,000 bopd net to Horizon Oil, with remaining cost recovery production entitlement in Beibu Gulf as at 30 June 2017 equivalent to US$89.6 million
- **Good progress made on planning for Western LNG development project in Papua New Guinea** with main project elements now in pre-FEED; acreage position strengthened and 2C resource materially increased as a result of strategic acquisitions

This strong result is perhaps best looked at in the context of the past five years' performance and the outlook for financial year 2018, as illustrated in this slide.



The charts underline the consistent annual oil sales volumes and our track record in controlling operating costs and capital expenditure.

Future oil production will be enhanced by the acquisition announced earlier this month of an additional 16% interest in PMP 38160, increasing our interest in the producing Maari and Manaia fields to 26%. The purchase price of US$17.6 million for the acquisition, which has an effective date of 31 December 2017 and is subject to customary New Zealand Government approvals, will be repaid from income from additional production of 1,400 barrels of oil per day within about 18 months. After pay out, net debt will be lower and decreasing faster than without the acquisition. Furthermore, the additional reserves – an increase of 43% in our 2P reserves reported at 30 June 2017 – will significantly increase our borrowing base under the bank RBL facility and this will enable us to accelerate payment of the subordinated debt, which carries a higher interest rate than the senior debt.

When the acquisition completes, we expect net operating cash flow from China and New Zealand to average US$60 – 70 million per year over the next five years, based on a consensus oil price deck. We will seek to maintain that with an ongoing program of workovers and infill drilling, which have produced good results to date, as well as the phased development of the WZ 12-8E oil accumulation in Beibu Gulf, offshore China.

Maintenance of this stable cash flow, which will pay down remaining debt and fund our work program in PNG, is an important strategic imperative for the company.

The second element of the strategy is to advance commercialisation of Horizon Oil's material position in the large-scale Western LNG project in PNG. Your board believes that the anticipated transition of the company from an oil to predominantly gas producer is the right one, as gas increasingly dominates energy consumption in Asia going into the next decade.

I will leave it to Brent to elaborate on our progress on Western LNG in his presentation later.

I would now like to turn to the important subject of board and management renewal. First, let me set the scene. Our management team, with the guidance and support of the board, has done a fine job of bringing Horizon Oil to where it is today:-

- They have overseen the appraisal and development of our fields in China and New Zealand, which we expect to deliver strong and stable net operating cash flow over the next five years or so.

- In Papua New Guinea, with judicious acreage dealing, subsurface evaluation and appraisal drilling they have defined a large gas and condensate resource in which Horizon Oil has a meaningful ownership. In fact, the company is arguably overweight in the project, providing the opportunity to sell down a part interest to realise cash and provide an indication of value.

- This asset portfolio has been funded with relatively modest equity raisings and with debt, which is being paid down at a demonstrably steady rate. After the successful refinancing of outstanding convertible bonds in September last year, the board considers the company to be in a stable financial position today.

- Over the course of these achievements, your board and management have navigated the company through the Global Financial Crisis in 2008 - 2009 and the downturn in oil prices which began in mid-2014 and continues today. We've taken advantage of this period of depressed prices, correctly described as the worst downturn in a generation, to broaden and balance our PNG acreage ownership and to increase our interest in the Maari and Manaia producing fields.

With this history in mind and with signs of a tightening of global oil supply and higher prices, as foreshadowed in my address in the 2017 Annual Report, we are now preparing to move to the next phase in Horizon Oil's progress. This focuses firmly on realising value for our PNG assets and will benefit from the skills and experience of a refreshed board and management team.

The management team of your company is a small one and this always tends to magnify the risks of disruption that are always inherent in changes to the senior leadership team. Your Board has given very careful consideration to the steps required to achieve an efficient and orderly transition to a new management team that won’t miss a beat going forward. Here is an outline of the steps that we will be taking.

Brent Emmett will retire from the Company as director and CEO at an appropriate time in the first half of 2018 and our current CFO, Michael Sheridan, will assume his role. Michael’s role as CFO will be filled by our Finance and Commercial Manager, Richard Beament, who I am confident will continue to perform admirably for the company.

The timing of Brent’s retirement will depend on the time required to complete an orderly handover of his duties to Michael and on the status of efforts that are currently underway to reconstitute the joint ventures holding the four licences that comprise our Western LNG project and to eventually “right size” Horizon Oil’s participating interest in this large project.

Alan Fernie, General Manager of Exploration and Development, will also retire from Horizon Oil in 2018 after we have recruited a Chief Operating Officer with strong engineering skills in production operations and development project management. We will proceed to implement this recruitment immediately now that we have announced these proposed changes to the senior leadership team.

In addition to taking a flexible approach to the timing of Brent and Alan's departure, we have retained them to provide ongoing advice to the board and management in consultancy roles to ensure an efficient handover of responsibilities and to safeguard the progress that has already been made on the PNG value realisation effort. This is a most important aspect of the transition process.

In terms of board renewal, I shall be retiring as Chairman and non-executive director at an appropriate time in 2018 to allow a suitable overlap with the appointment of Michael as CEO and with my replacement as Chairman.

Andrew Stock is retiring as non-executive director at this AGM and we are currently in the process of recruiting a suitable candidate to join the board as director and chairman-elect. The qualities we are looking for are strong credentials in international petroleum management, in particular in the LNG business, with the requisite experience to lead the company during the Western LNG development phase.

Andrew joined the board five years ago after retiring as a senior executive from origin energy. Andrew has been chairman of your company's risk management committee for that period and the company has benefitted significantly from Andrew's considerable engineering experience in that role. Andrew – I would like to personally thank you for your contribution during your time on the board and I join with your fellow board members in wishing you well in your future endeavours. You will be missed.

The most important task facing the new management team in the short to medium term will be to unlock the potentially very significant value of our PNG portfolio of assets. Michael Sheridan is intimately familiar with those assets, as well as the rest of our asset portfolio and is going forward is well placed to drive. The Board is confident that he will perform strongly in his new role.

Brent and Alan have both made enormous contributions to the development of your company over a very sustained period. The transition plan that the Board has come up with will see them with ongoing relationships with the company for a period of time into the future, in which I want Brent in particular, to focus all his efforts on advancing Western LNG to the next stage. It is therefore not really appropriate that we say goodbye at this point. I would like at this stage to note their enormous contributions, to personally thank them and to foreshadow that I and the Board will appropriately reflect on their respective contributions at a later date when the transition arrangements are finalised.

With a well balanced portfolio of high margin oil production in China and New Zealand, a dominant interest in a material condensate-rich gas resource in Papua New Guinea targeted for development as a mid-scale LNG project and a sustainable balance sheet, the company's board and management have a high level of confidence that Horizon Oil is optimally positioned to take advantage of improving oil prices and the strengthening demand in Asia for LNG. As investor confidence returns to the oil and gas sector, we expect these factors will play a significant part in attracting greater interest in Horizon Oil and its assets.

Ladies and gentlemen – thank you for attending the 2017 Annual General Meeting today. I hope you will stay on after the formal business of the meeting is concluded and hear Brent's presentation on Horizon Oil's activities and the outlook for the company.

John Humphrey

Chairman

HORIZON OIL LIMITED / ABN 51 009 799 455

Annual General Meeting

24 November 2017

Disclaimer

Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Horizon Oil Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

While every effort is made to provide accurate and complete information, Horizon Oil accepts no responsibility for any loss, damage, cost or expense incurred by you as a result of any error, omission or misrepresentation in information in this presentation.

In this presentation, estimates of petroleum resources may be reported in units of equivalency between gas to oil (reported as barrels of oil equivalent (boe)). A conversion factor of 6 cubic feet of gas to 1 barrel of oil has been applied.

The reserve and resource information contained in this presentation is based on information compiled by Alan Fernie (General Manager – Exploration and Development). Mr Fernie (B.Sc), who is a member of AAPG, has more than 38 years relevant experience within the industry and consents to the information in the form and context in which it appears.

All dollars in the presentation are United States dollars unless otherwise noted.

HORIZON OIL LIMITED / ABN 51 009 799 455

Formal business

John Humphrey

Formal business

- Notice of Meeting
- Chairman’s Address
- Items of Business
- Closure of Meeting

- CEO’s Presentation
- Questions

Chairman’s Address

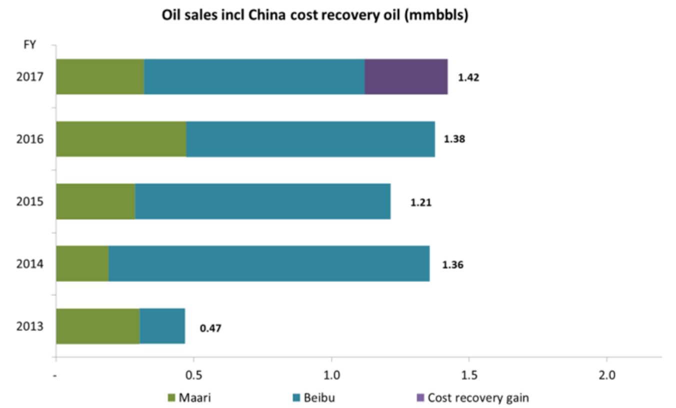
John Humphrey

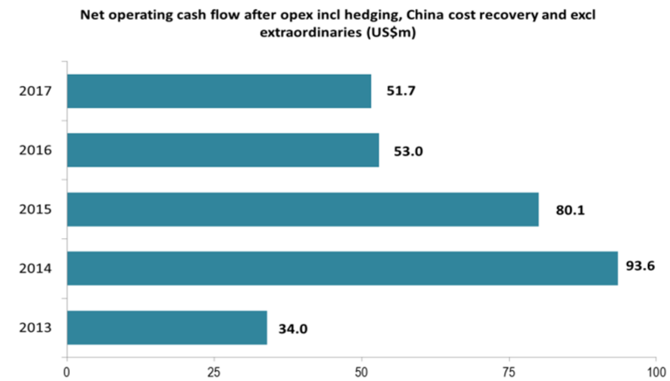
HORIZON OIL LIMITED / ABN 51 009 799 455

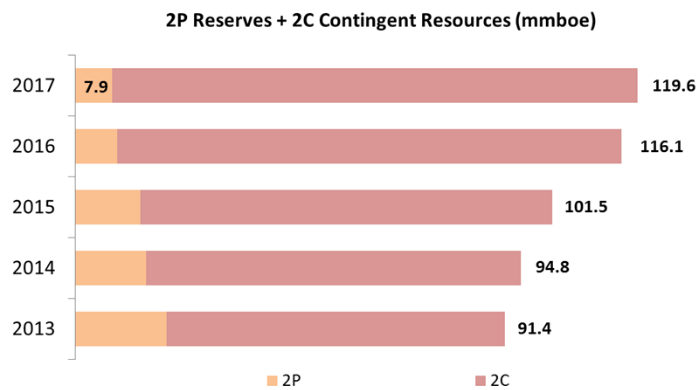
Financial year 2017 highlights

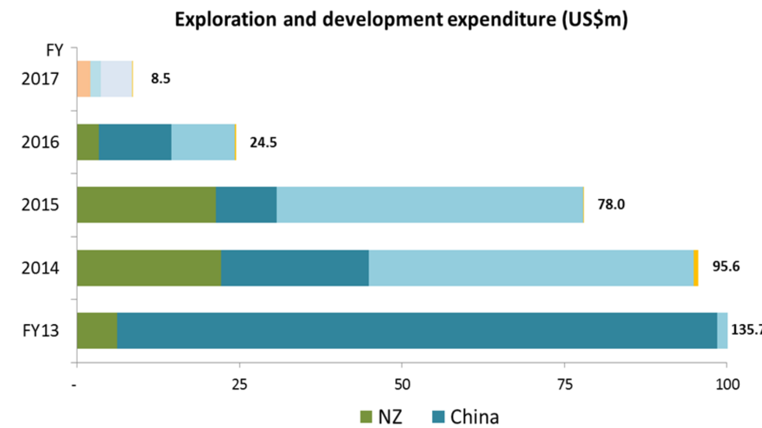
- **Oil sales** volumes 3% **higher** than FY 2016 at 1,421,940 barrels, generating **revenue of US$68.5 million**
- Average **cash operating cost down 21%** to US$11 per barrel of oil sold, driven by further cost savings in response to lower oil prices and a reduction in tariffs applying to Beibu Gulf production
- **Net operating cash flow** from oil sales after operating expense **of US$51.7 million**, in line with FY 2016
- Continuing disciplined control over administrative and capital expenditures
- **Free cash flow breakeven cost over FY 2017 of US$32/barrel** (incl tax, interest and all capex)
- **Net debt reduced to US$108.5 million** (from US$131.9 million at 30 June 2016)
- Beibu Gulf and Maari fields continuing to produce steadily at combined rate of approximately 4,000 bopd net to Horizon Oil, with remaining cost recovery production entitlement in Beibu Gulf as at 30 June 2017 equivalent to US$89.6 million
- **Good progress made on planning for Western LNG development project in Papua New Guinea** with main project elements now in pre-FEED; acreage position strengthened and 2C resource materially increased as a result of strategic acquisitions

Five year performance – solid track record









Note: 2017 2P Resources + 2C Contingent Resources are presented exclusive of 16% Maari transaction and PNG assets swap transactions. See HZN announcement dated 18 July and 6 November 2017

HORIZON OIL LIMITED / ABN 51 009 799 455

Items of Business

Formal Resolutions

Resolutions		For %	Open %	Against %
2.	To adopt the Remuneration Report	98.27% (604.4m)	0.09% (0.54m)	1.65% (10.1m)
3.	To elect Mr Greg Bittar as a Director	99.10% (609.6m)	0.09% (0.54m)	0.81% (5.0m)
4.	The approval of 2017 grant of long term incentives (LTIs) to Mr Brent Emmett, Chief Executive Officer and Managing Director in accordance with the terms of his employment	98.00% (602.6m)	0.09% (0.54m)	1.91% (11.8m)

HORIZON OIL LIMITED / ABN 51 009 799 455

Closure of Meeting

HORIZON OIL LIMITED / ABN 51 009 799 455

CEO's Address

Brent Emmett

Presentation outline

- Company overview
- Commodity outlook
- Investment proposition
- Key achievements – 2017
- Financial performance
- Asset review
  - Beibu Gulf fields, offshore China
  - Maari/Manaia fields, offshore New Zealand
  - Western LNG, onshore Papua New Guinea
- Outlook for 2018
- Q&A

Horizon Oil (ASX:HZN) snapshot

- Sydney-based public company listed on Australian Securities Exchange (ASX)
- Portfolio of exploration, development and producing assets in Asia-Pacific region, with **net production of ~4,100 bopd**, with **free cash flow breakeven after all-in costs of less than US$33/barrel of oil over calendar year 2017**:
  - 26.95% interest in Beibu Gulf fields offshore China, producing ~3,200 bopd net (including cost recovery production)
  - 10% interest in Maari/Manaia fields offshore New Zealand, producing ~880 bopd net[1]
  - Large gas and condensate resources onshore Papua New Guinea, with development plan firming
- **Net operating cash flow after cash opex of US$51.7m** in FY 2017
- 2P reserves at end FY 2017 of 8 mmbo and 2C contingent resources of 29 mmbo and 603 bcf gas [2]
- Beibu Gulf – **remaining cost recovery oil entitlement at 30 September 2017 of US$86.6m**, escalating at 9% pa
- **Milestone payment of US$130m** from Osaka Gas, payable on FID of LNG project in PNG
- At 30 September 2017:-

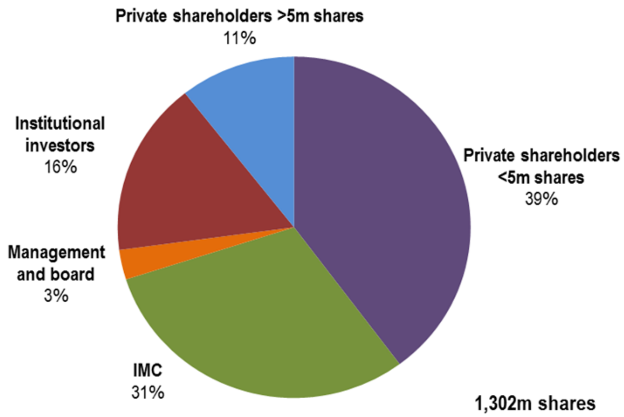
Cash on hand	US$28.4m
Drawdown on US$120m bank facility	US$88.0m
Subordinated debt	US$45.0m
Net debt	US$104.6m

[1] See HZN's announcement dated 6 Nov 2017 regarding acquisition of a further 16% interest in Maari/Manaia fields

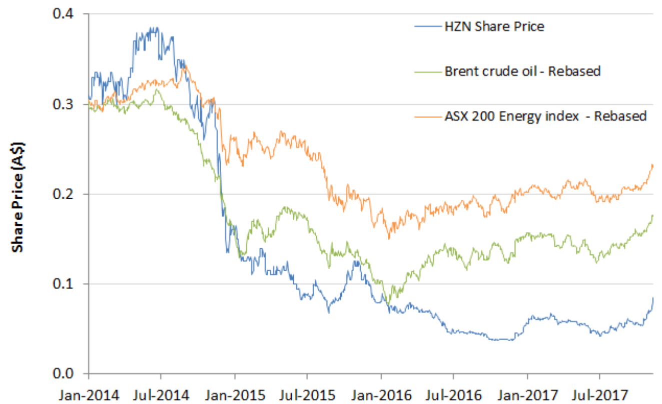
[2] Calculated after the acquisition of a 20% interest in PRL 40 and divestment of 20% interest in PRL 28, subject to customary PNG Govt approval. See HZN's market announcement of the transaction dated 18 July 2017

Corporate summary

Shareholders



Share Price vs Brent Crude vs ASX 200 Energy Index - Rebased



HZN share capital (as at 22 Nov 2017)	
ASX Listed	HZN
Fully Paid Shares	1,301,981,265
Employee Options	1,700,000[1]
Share Appreciation Rights	115,142,318[2]
IMC Options	300,000,000[3]
Number of Shareholders	5,564
Market Capitalisation	A$108m
Top 20 / Issued Capital	60.47%
12 Months	
Last (22 Nov 2017)	A$0.083
High	A$0.087
Low	A$0.037
Average Daily Volume	977,600

[1] Options – issue price ranging from A$0.20 - A$0.43
[2] Share Appreciation Rights – strike price for valuation purposes ranging from A$0.048 - A$0.37.
A further 22,577,706 SARs to be issued subject to shareholder approval
[3] IMC Options - exercisable at A$0.061 on or before 14 September 2021
* Company currently holds 1,500,000 forfeited partly paid shares on trust

Board of Directors

John Humphrey	Chairman
Brent Emmett	Chief Executive Officer / Managing Director
Gerrit de Nys	Director
Andrew Stock	Director
Sandra Birkensleigh	Director
Greg Bittar	Director

Senior Management

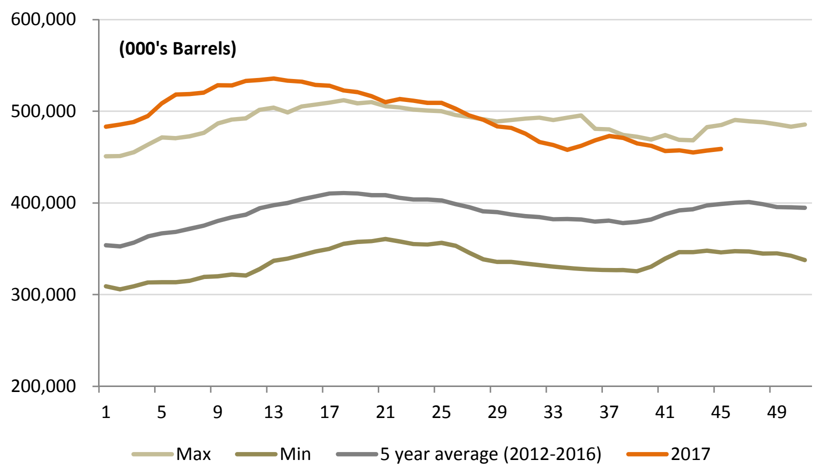
Brent Emmett	Chief Executive Officer / Managing Director
Michael Sheridan	Chief Financial Officer / Company Secretary
Alan Fernie	General Manager – Exploration and Development

Contact

Brent Emmett
Email: info@horizonoil.com.au
Tel: +612 9332 5000
Web: www.horizonoil.com.au

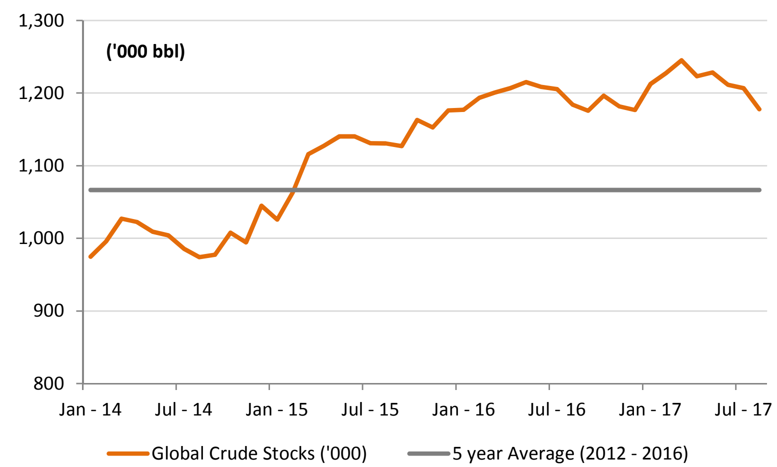
Commodity outlook – crude oil

US crude stocks by week



Source: EIA

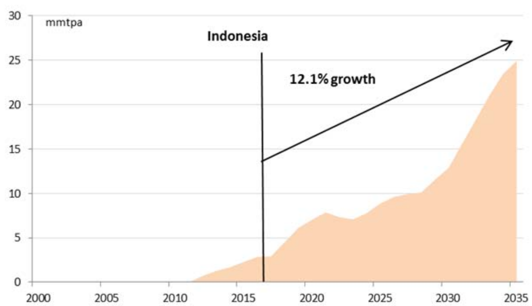
Global crude stocks

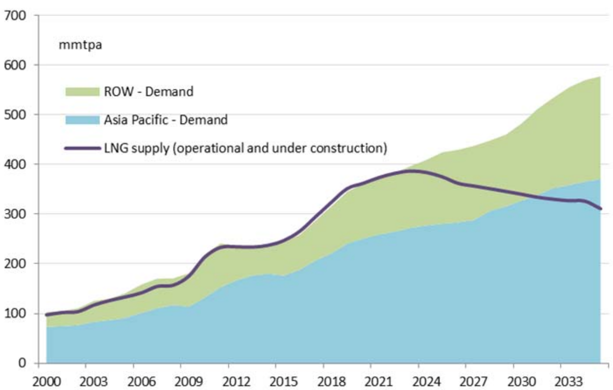


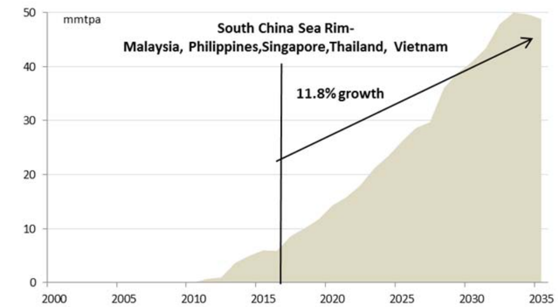
Source: IEA

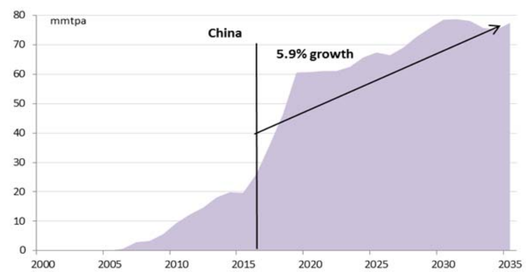
- US crude stocks running down towards five year average
- US shale oil developers taking a more value-focused approach to bringing on new production
- Global crude stockpiles clearly being drawn down as supply and demand rebalance
- Potential for political risk premium to return to the oil price
- Oil markets to tighten in 2020s because of significant under-investment in new production in 2015-2017, against backdrop of global economic growth of 4% p.a.

Commodity outlook – LNG

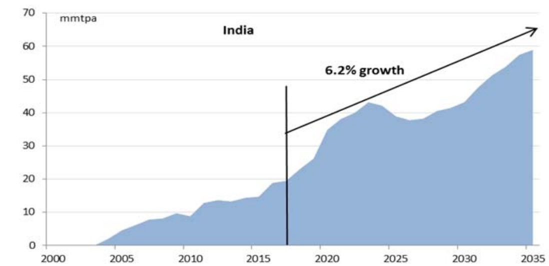








- LNG demand in Asia is growing rapidly
- Few new projects sanctioned in 2016 and 2017
- Potential for tightening market in 2020s



Source: WoodMac, LNG Tool, Q3 2017 dataset
Note: Stylised projections based on underlying annual forecasts

Horizon Oil as an investment proposition

Strong, long-lived production profile and cash flow

- Best-of-peer-group net operating cash flow from China and New Zealand, to average US$60 – 70 million pa over the period FY 2018 – 2022, with modest future capital spend ***(includes contribution from additional Maari interest)****
- Free cash flow breakeven over 2017 of US$33/bbl resulting from ongoing tight control over field operating expense, exploration and development expenditure and administrative expenses
- Stable financial position, with steadily decreasing debt – downside further protected with oil price hedging and loss-of-production insurance

Strategic stake in large oil and gas development project in Papua New Guinea

- Material upside potential attached to large, appraised gas-condensate resource in Papua New Guinea; development planning for a 1.5 mtpa mid-scale LNG scheme, Western LNG (WLNG), is underway

Share price

- HZN significantly undervalued with respect to peer group on net operating cash flow alone
- Long-lived oil production and balance sheet gearing provides good exposure to oil price upside
- Announcements on progress on Western LNG, including triggering of US$130 million milestone payment on FID, potential catalysts to share price appreciation

* See HZN's announcement dated 6 Nov 2017

Horizon Oil vs peers

	FY 2017 A					FY 2018 F				
	HZN	Peer 1	Peer 2	Peer 3	Peer 4	HZN	Peer 1	Peer 2	Peer 3	Peer 4
Production (mmboe)										
Oil	1.4	0.0	0.3	0.6	0.8	1.7 - 2.0	0.0	0.2	0.2	0.7
Gas	0.0	0.4	0.8	2.2	0.0	0.0	0.7	1.0	2.6	0.3
Total	1.4	0.4	1.1	2.8	0.8	1.7 - 2.0	0.7	1.2	2.8	1.0
Revenue (A$m)	91	23	36	104	45	130 - 135	28	40	80	58
EBITDAX (A$m)	60	0	30	31	9	90 - 95	5	22	28	22
EBITDAX margin	66%	0%	83%	30%	20%	69%	19%	55%	35%	38%
Net Debt/(cash) (A$m)	145	-9	-147	49	-135	130 - 140	77	30	52	-40
EV (A$m)	248	255	332	334	370	234	342	509	337	465
ND/EBITDAX	*2.4*	*net cash*	*net cash*	*1.6*	*net cash*	1.4	14.5	1.4	*1.9*	*net cash*
EV/EBITDAX	4.1	n.m.	11.1	10.8	41.1	2.6	64.0	23.2	12.0	21.1

Source: Broker estimates, Company data
USD/AUD 0.75; share price as at 21 Nov 2017

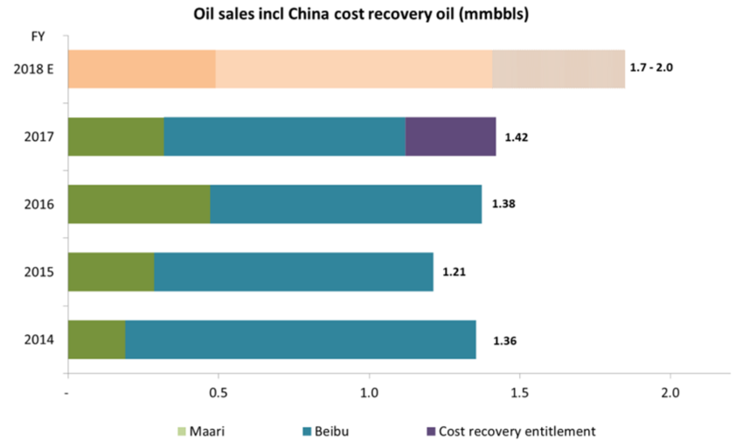
- Peer companies are comparable, ASX-listed, producing E&P companies, with enterprise values (EV) in the range A$200 – 400 million
- Horizon Oil leads its peer group on net cash flow generation and profit margin
- Horizon Oil production undervalued based on EV/EBITDAX multiple

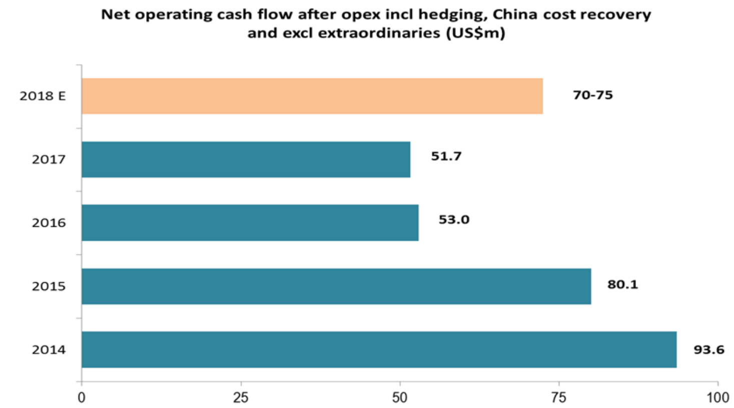
Key achievements – 2017

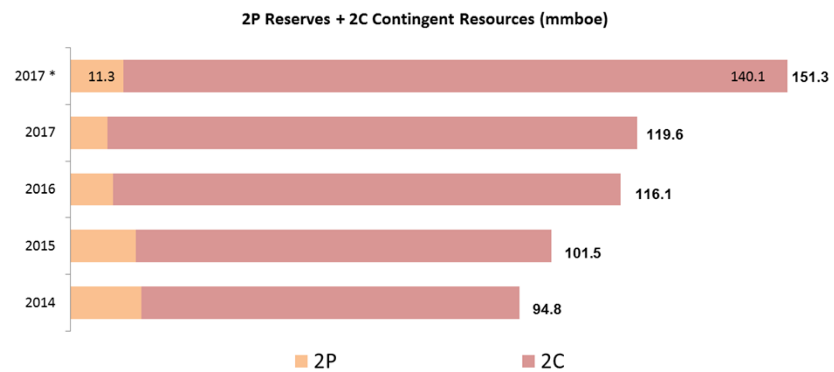
- Steady production, sales and cash flow from producing fields maintained with successful workover programs – in line with forecast
- Cash operating cost, exploration and development capital expenditure and G&A expense all reduced
- Net debt reduced to US$104.6 million at 30 September 2017, compared to US$125.4 million at the same time last year
- Good progress made on planning for 1.5 mtpa Western LNG development project in Papua New Guinea with main project elements now in pre-FEED; acreage position strengthened and 2C resource materially increased as a result of strategic acquisitions
- Reserves production and cash flow outlook for next year and beyond significantly enhanced with acquisition of additional 16% interest in Maari/Manaia field*

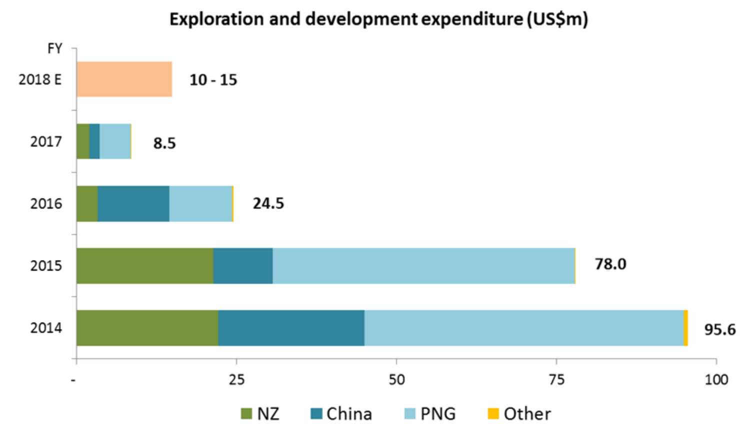
* See HZN's announcement dated 6 Nov 2017

Solid track record and outlook for FY 2018





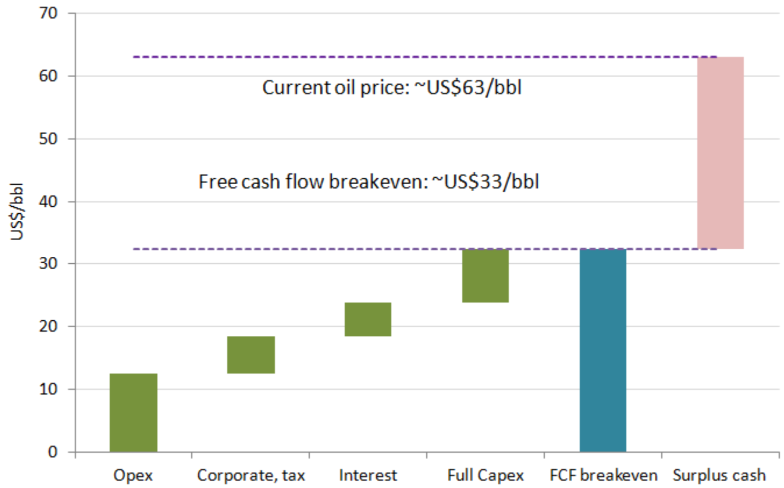




[1] *Includes impact of Maari acquisition. See HZN's announcement dated 6 Nov 2017*

[2] *Reserves and Resource statement at 30 June 2017, adjusted for subsequent transactions in PNG and PMP 38160 (New Zealand) pending customary government approvals. See HZN's announcements dated 18 Jul and 6 Nov 2017*

Low free cash flow (FCF) breakeven, oil price hedging and LOPI provide financial certainty and stability



Note: FCF breakeven is for calendar year 2017, includes the full capex and excludes impact of hedges

Free cash flow breakeven

- Low breakeven price provides stability in low oil price environment and capacity for debt repayment
- Low opex in China and tight control over capital spend underwrites the low breakeven price
- FCF breakeven will continue at about same level in 2018 after acquisition of additional Maari interest,* with increased proportion of higher opex oil offset by costs spread over greater sales volumes

Oil price hedging

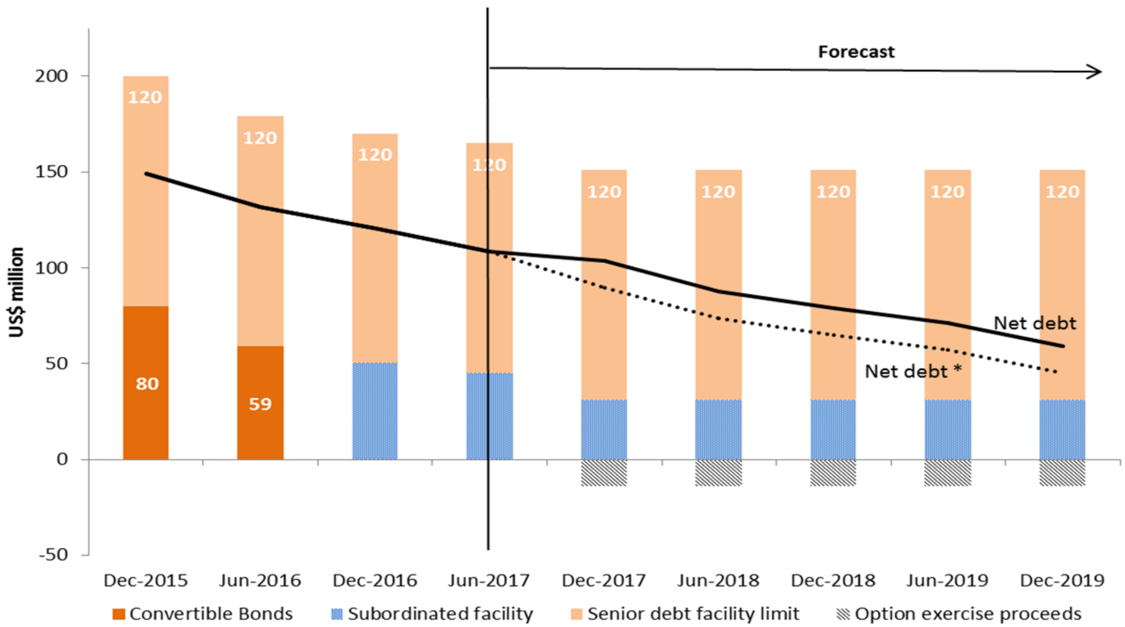
- 750,000 barrels hedged Nov-17 to Dec-18 at an average of US$58/bbl
- Protects US$43.5 million of revenue from oil price volatility
- Policy is to add more layers of hedging as appropriate

Loss-of-production-insurance (LOPI)

- Over US$62 million of revenue insured in the event of production losses arising from insurable events
- Lost production covered for up to 365 days following 45 – 90 day wait period

* See HZN's announcement dated 6 Nov 2017

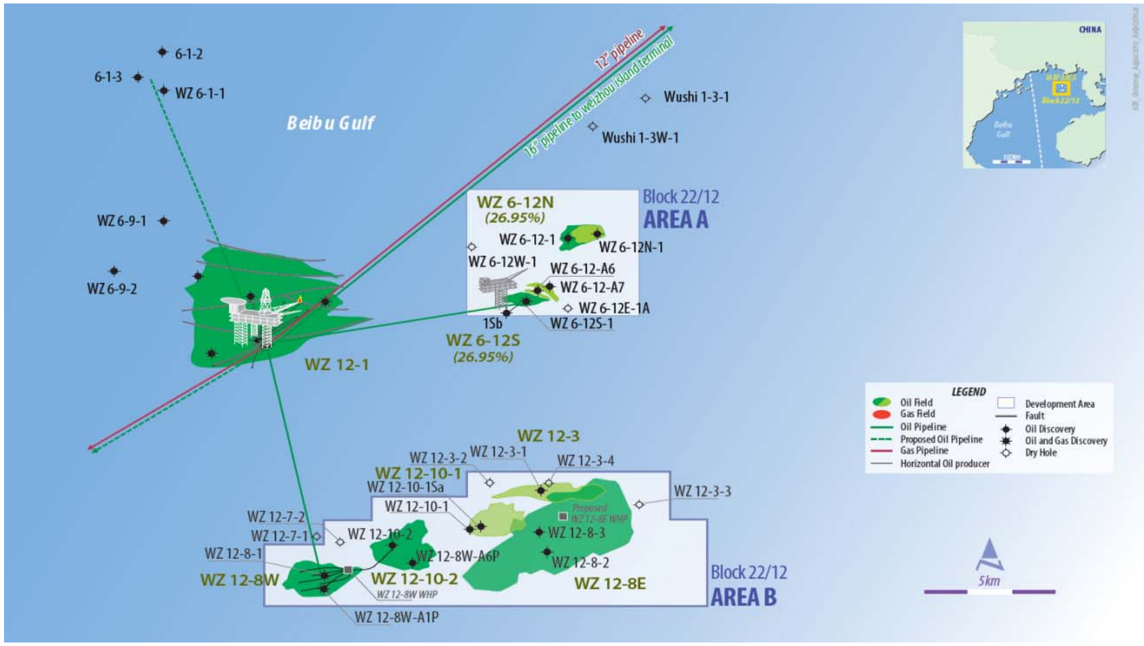
Debt reduction trajectory continuing



**Note: Forecast net debt factors in proceeds from exercise of options attached to the subordinated facility (US$14 million)*

- Horizon Oil's proven, developed and producing Beibu Gulf and Maari fields provide substantial debt security in a challenging environment for small and mid-cap companies to access debt
- The Company refinanced the outstanding US$58.8 million convertible bonds with cash and a 5 year non-amortising subordinated debt facility of US$50 million
- Horizon Oil commenced repayment of the subordinated debt facility through a voluntary prepayment of US$5 million in mid 2017
- Net debt reduced to US$104.6 million at 30 September 2017, with US$28.4 million cash on hand

Beibu Gulf producing fields and future development targets

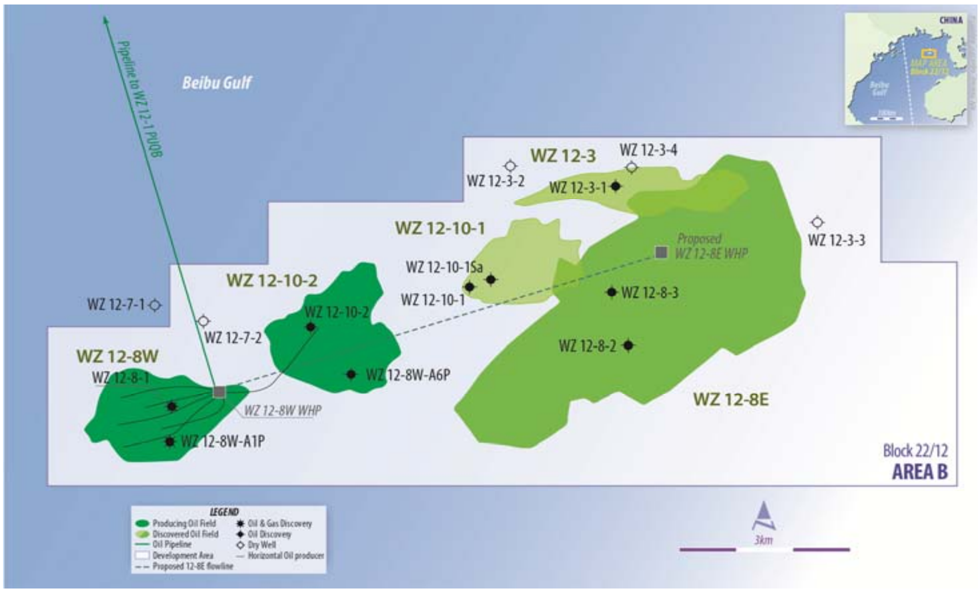


Block 22/12 Post-CNOOC Back-in:	
HZN	26.95%
CNOOC	51.00% (Op)
Fosun	19.60%
Majuko Corp	2.45%

Gross reserves and resources at 30/6/17 (mmbo)	2P	2C
Produced	15.3	
Remaining	19.4	11.8

- WZ 6-12N and WZ 12-8W fields continue producing above forecast, currently ~9,300 bopd
- Remaining cost recovery oil entitlement of US$86.6m to be received over 2017 – 20, unrecovered balance escalates at 9% pa
- Fixed operating tariff reduced from US$4.75 to US$0.50/barrel in Q1 2017
- Six well workover program successfully completed on WZ 6-12 field, lifting gross production about 1,500 bopd
- 2 infill wells to be drilled on WZ 12-8W in December 2017

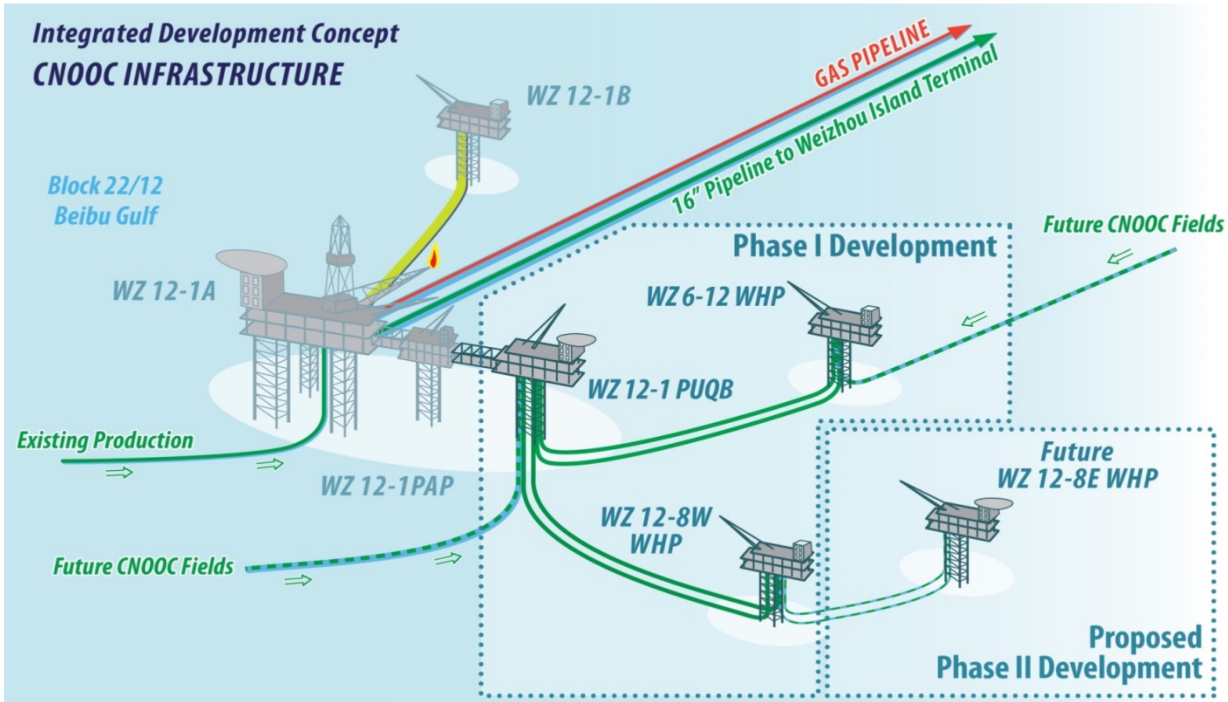
Beibu Gulf future development projects – WZ 12-8E and associated fields



Leased mobile production platform (MOPU)

- Development plan (ODP) for integrated development of WZ 12-8E and associated fields (audited gross 2C resources 11.1 mmbo) to be submitted for Government approval in 2018; 3 stage development with target first production 2019
- Platform on WZ 12-8E will be a leased, mobile production unit to minimise capex
- Flexible flowlines to tie the platform back to the WZ 12-8W platform

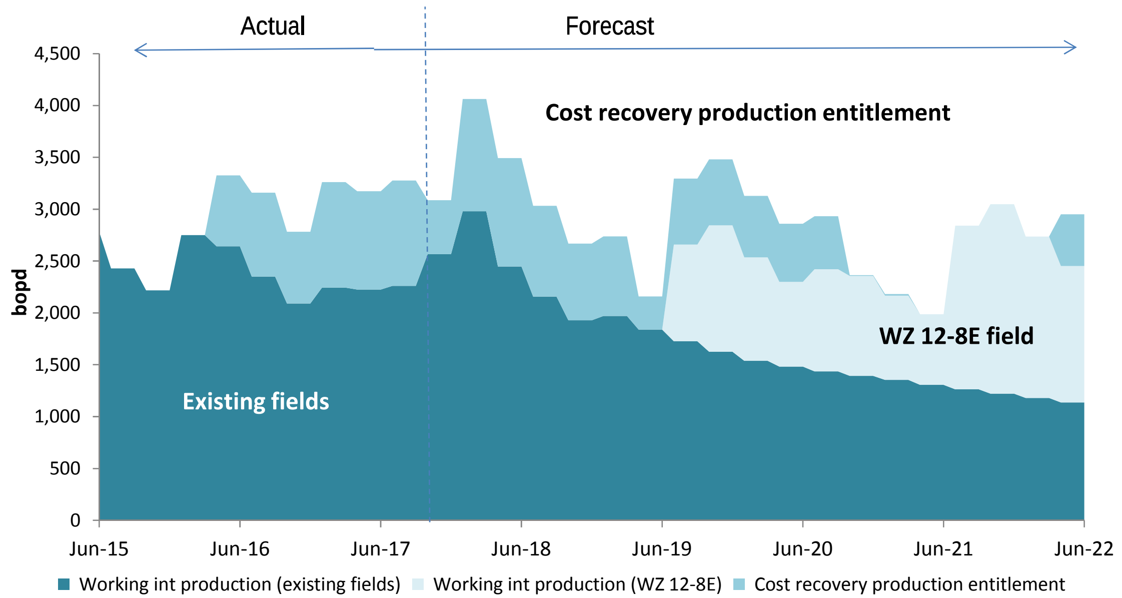
Beibu Gulf fields – phased development approach



Phased approach to development of new reserves – use of existing infrastructure:-

- reduces costs and engineering risk
- accelerates timeline
- enhances economics of fields already on stream

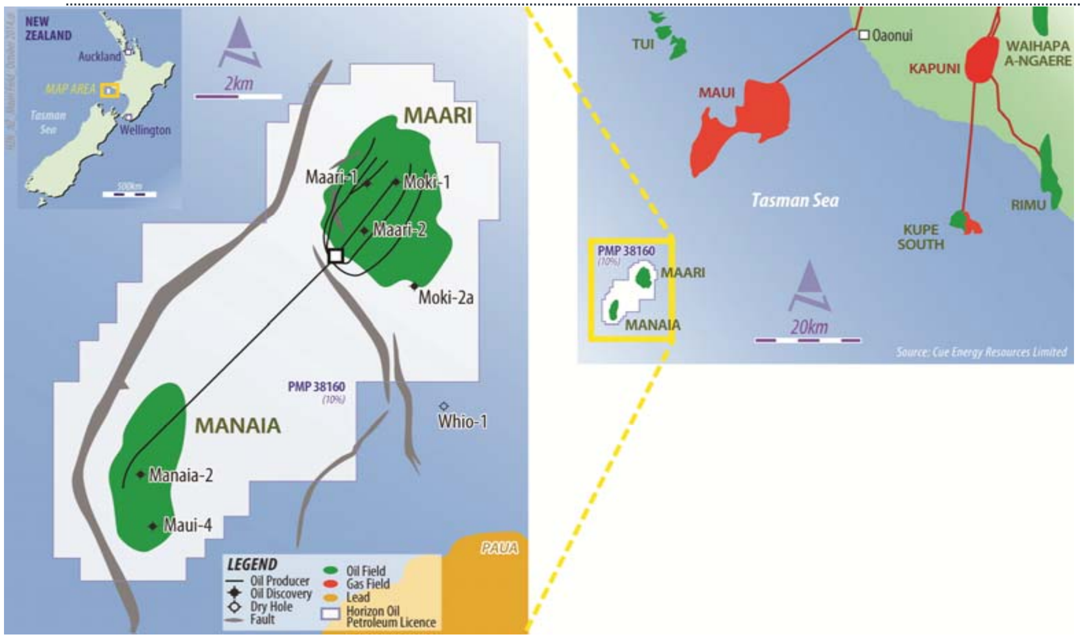
Beibu Gulf production and cost recovery driving cash generation through 2022



- Horizon Oil's Block 22/12 production entitlement increased from 26.95% to ~37% of production, following the commencement of its entitlement to preferential cost recovery in 2016
- The company's unrecovered cost recovery balance at 30 September 2017 was US$86.6 million, escalating at 9% pa

Note: Forecast cost recovery based on Brent forward curve as at 10 Nov 2017 and production forecasts included in Independent Technical Specialists' Report (RISC) – Sept 2017

Maari /Manaia fields – New Zealand



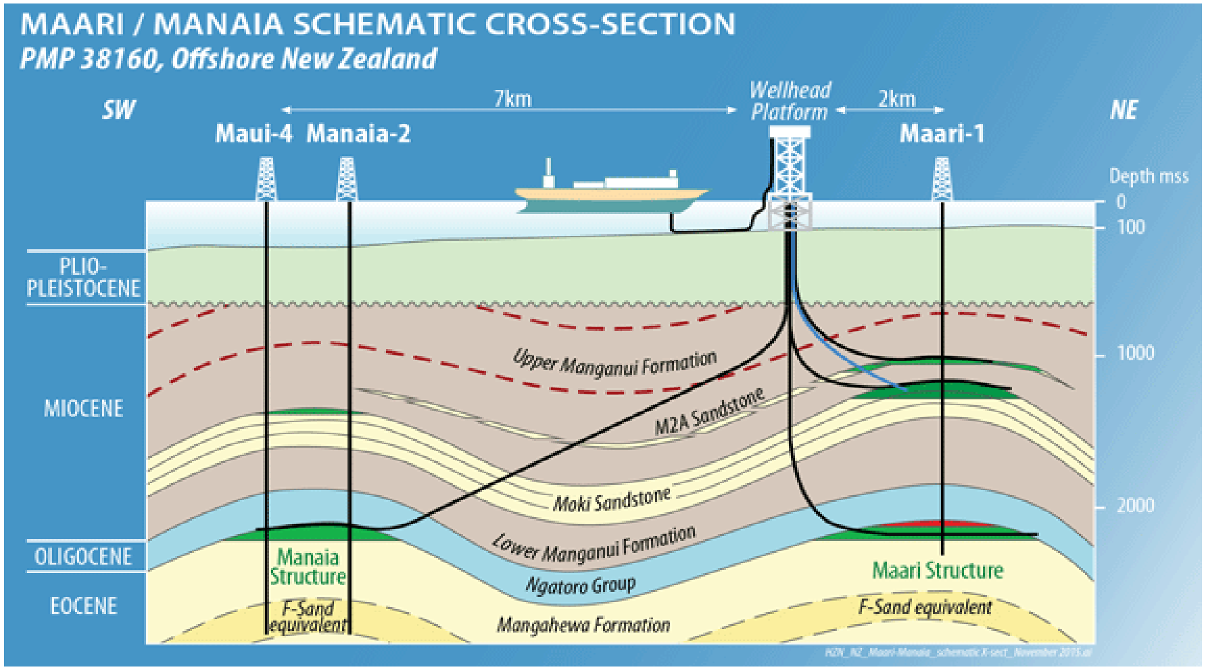
PMP 38160:	
HZN	10%*
OMV	69% (Op)
Todd	16%*
CUE	5%

Gross reserves and resources at 30/6/17 (mmbo)	2P	2C
Produced	34.6	
Remaining	20.8	69.2

- Field production currently ~8,800 bopd
- Regular workover program to replace ESPs, clean scale and add perforations has successfully enhanced production
- Water injection (WI) repairs and temporary repair to platform strut completed in January 2017; permanent repair to WHP completed mid 2017
- 2017 production improvement projects include workovers, re-perforations, WI enhancement and installation of surface pumps to reduce well back pressure
- Further infill wells and Manaia Moki development under consideration

* See HZN's announcement dated 6 Nov 2017

Manaia – Maari schematic cross-section



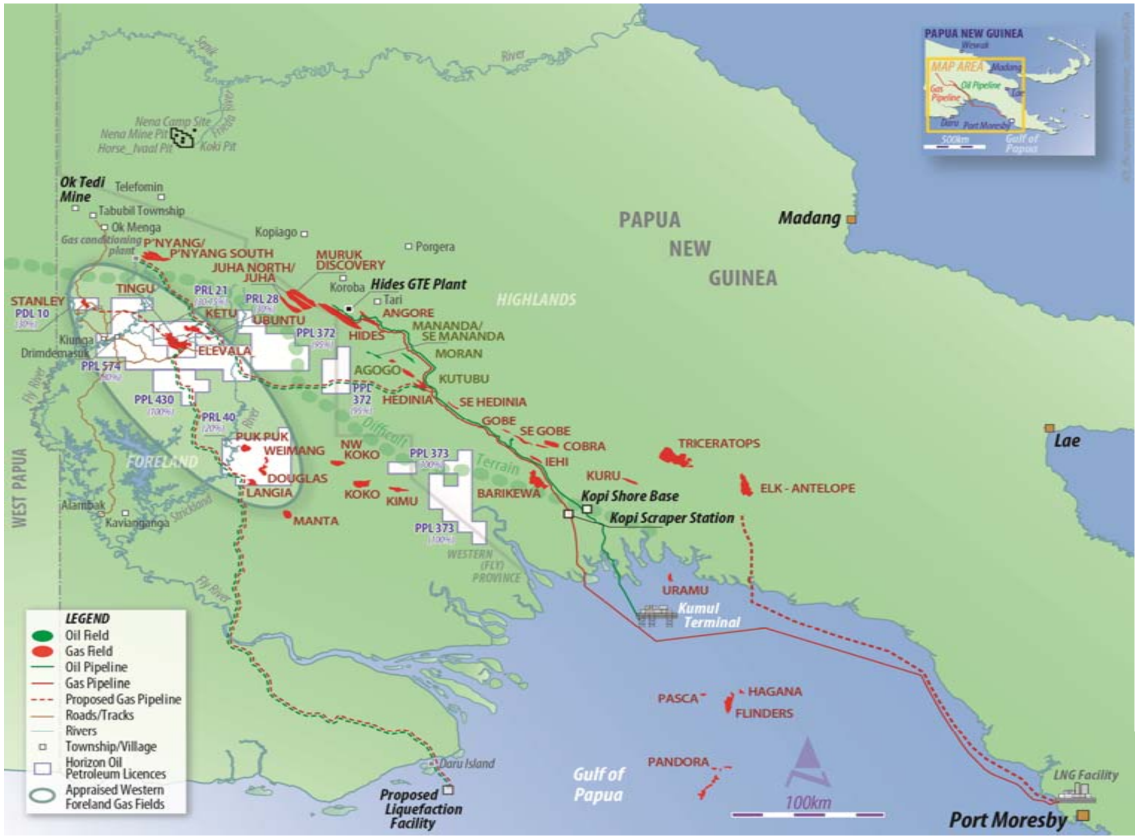
- Multiple oil accumulations on production serve to diversify risk
- Potential to develop Moki zone at Manaia in future – gross 2C resource 50.0 mmbo

Acquisition of additional 16% interest in Maari/Manaia fields – metrics

- Acquisition of additional 16% interest in PMP 38160 from Todd, increasing HZN interest in the producing Maari and Manaia fields to 26%*.
- Purchase price US$17.6m; effective date of 31 December 2017; acquisition subject to customary joint venture and New Zealand Government approvals including Overseas Investment Office approval; no pre-emptive rights.
- HZN net production will increase by 1,400 bopd to ~ 5,500 bopd (34%↑); purchase price repaid from additional production income within about 18 months.
- Increases HZN independently audited net 2P reserves by 3.4 mmbo to 11.3 mmbo (43%↑) and 2C resources by 11.0 mmbo to 140.1 mmboe (9%↑)
- After pay out, net debt will be lower and decreasing faster than without the acquisition. Additional reserves will significantly increase borrowing base under the bank RBL facility and this will enable accelerated payment of the subordinated debt, which carries a higher interest rate than the senior debt.
- When the acquisition completes, net operating cash flow from China and New Zealand expected to average US$60 – 70 million per year over the next five years, based on a consensus oil price deck.

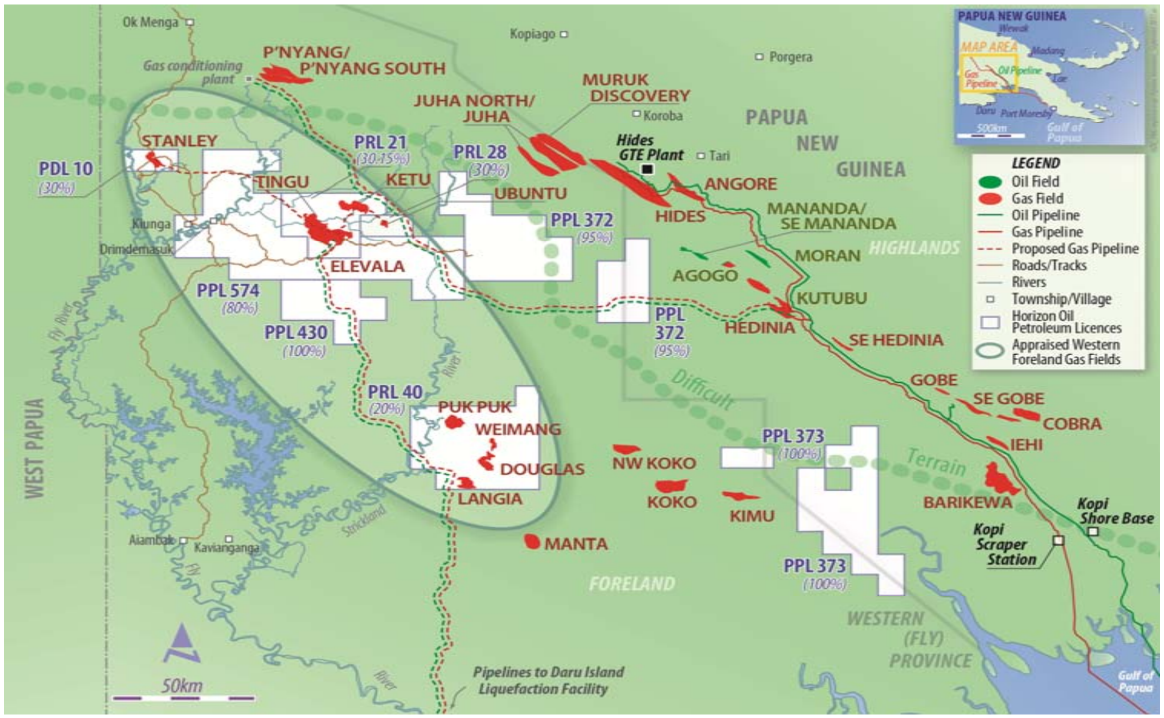
* See HZN's announcement dated 6 Nov 2017

Papua New Guinea – the regional picture



- PNG is a pro development jurisdiction with stable petroleum fiscal regime
- Rich mineral and petroleum province with a history of successful large scale resource projects delivery eg. PNG LNG
- Jurisdiction well supported by the international banks
- Challenging logistics, however capital and operating cost environment is competitive in the region

Horizon Oil acreage and JV partners – resource development overview



- Significant gas resource discovered and appraised in uncomplicated structures, with highly productive sandstone reservoirs
- High level of condensate and LPG contained in the gas
- Relatively easy surface access and terrain for field operations

Gross resources at 30/6/17	2C
Condensate mmbbl)	62.1
Raw gas (bcf)	2,192

PDL 10 (Stanley):

HZN	30%
Repsol	40%(Op)
Osaka Gas	20%
Kumul	10%

PRL 21 (Elevala/Ketu):

HZN	30.15% (Op)
Repsol	35.1%
Osaka Gas	18.0%
Kina	16.75%

PRL 28 (Ubuntu):

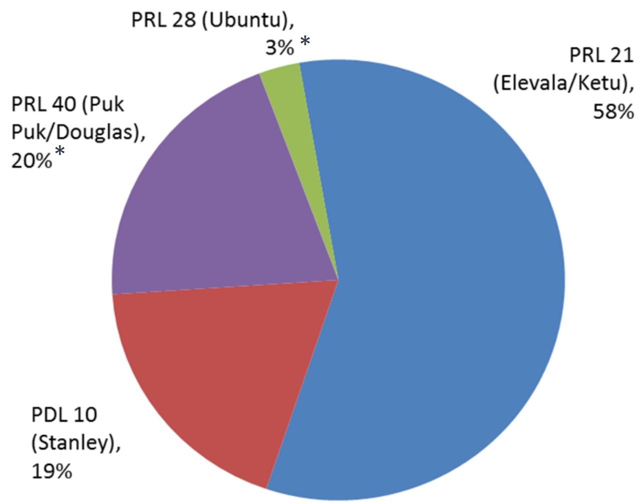
HZN	30% (Op)*
Repsol	37.5%
Kumul	20%*
P3GE	12.5%

PRL 40 (Puk Puk/Douglas:

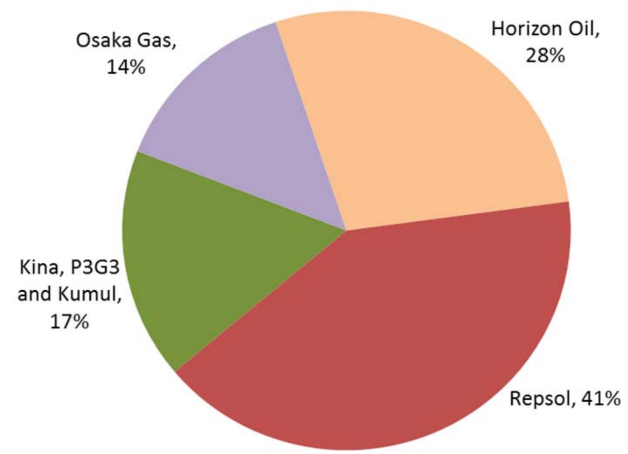
Repsol	60% (Op)
HZN	20%*
Kumul	20%*

* See HZN's market announcement of the transaction dated 18 July 2017

Appraised western foreland fields
– concentrated resource distribution and ownership



Field share of boe



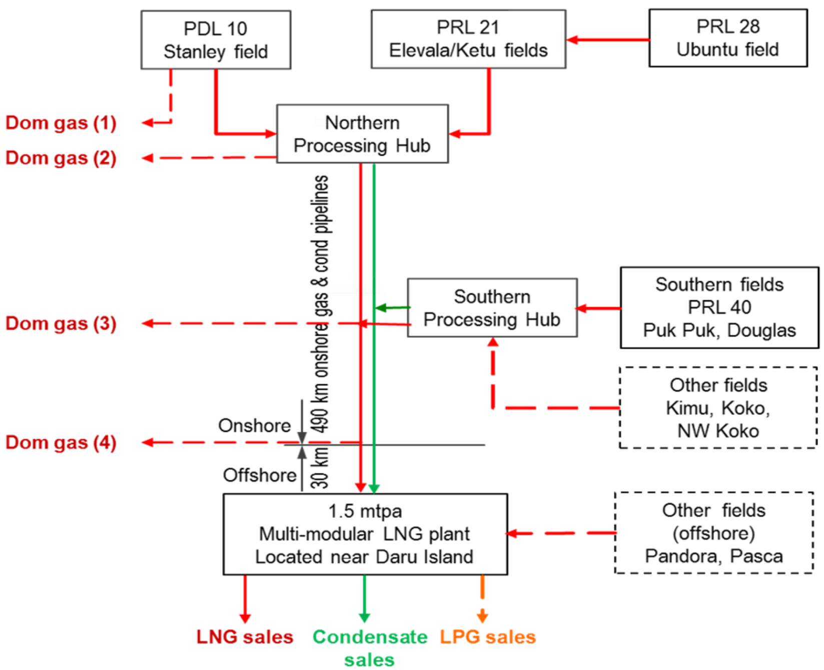
Participants' share of boe

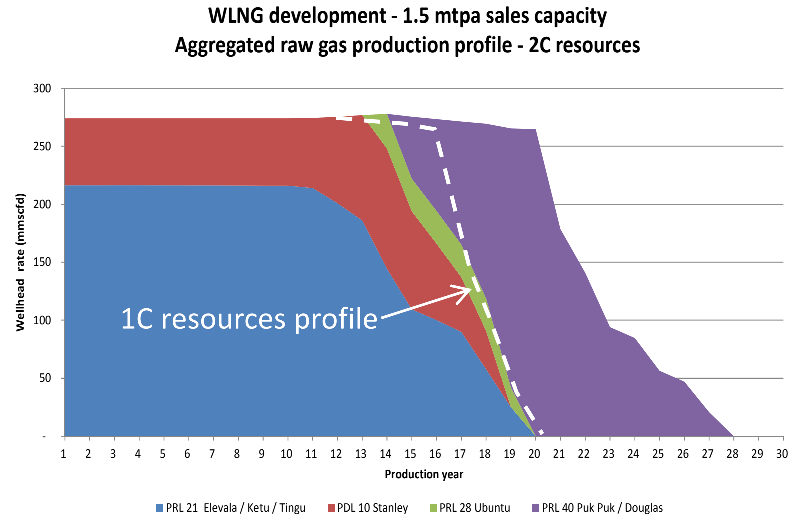
- Contingent resource (2C) : 2.0 – 2.5 tcf gas
  60 – 70 mmbbl condensate
- Horizon Oil and Repsol have a combined interest of 70% of the total resource and operate all the fields , which will facilitate aggregation
- Foundation gas concentrated in 2 licences

* See HZN's market announcement of the transaction dated 18 July 2017

Note: Petroleum resource ranges used in this presentation are based on Horizon Oil's 2017 Reserves and Resources Statement, announced on 29 August 2017

Western LNG development scheme





- Gas for the domestic PNG market available at multiple locations
- LNG, condensate and LPG available for PNG-based customers at liquefaction facility

Development scheme selection criteria

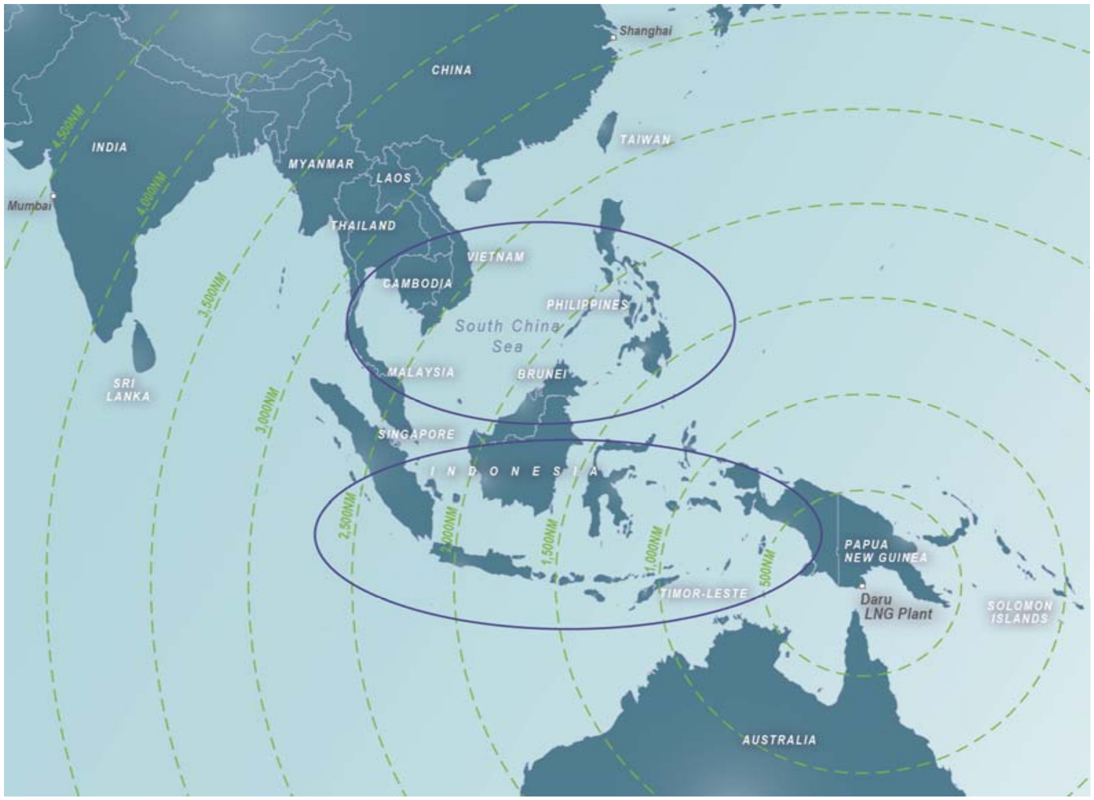
Upstream gas processing plant

Gas and condensate export pipelines

- Standalone development – 1.5 mtpa right-sized for appraised resource base
- Simple concept with lowest technical and execution risk
- Maximum use of standard, proven technology
- System uptime consistent with global LNG projects (90-95%)
- Utilisation of leading contractors, preferably with prior PNG experience

Near shore liquefaction facility

WLNG well-placed to supply emerging demand areas – Indonesia, South China Sea Rim, China, India



- Strong increase in demand forecast in emerging Asian economies, pointing to supply shortfalls from 2023
- Many new entrants seeking to import LNG to:
  - Offset decline in domestic gas supply
  - Displace liquid fuel for power generation
  - Diversify energy mix
- New buyers looking for flexible supply arrangements and smaller cargoes
- Advent of FSRUs will facilitate and expedite implementation of smaller projects

Western LNG project, PNG – key points

- Preliminary project economics are attractive, with 20+ year plateau production for 2C gas resource and economics strengthened by significant condensate production.

- 520 km gas and condensate pipelines will connect western foreland fields, containing appraised resources of 2.0 - 2.5 tcf gas and 60 - 70 million barrels of condensate, to a 1.5 mtpa (sales capacity) modular liquefaction facility to be located near-shore Daru Island.

- Pre-FEED contractors currently engaged on main project elements – upstream processing, pipelines and FLNG – with target completion end 2017. Target Basis of Design and FEED in 2018/19 and FID in 2019.

- Horizon Oil owns interests in all fields that will comprise the gas aggregation, equivalent to 28% of the total resource. Repsol owns 41% and the two companies operate all licences.

- Development scheme primary focus is on LNG and condensate sales, but also contemplates gas sales into the domestic market at multiple outlets and LPG sales, with resultant benefits to landowners, communities, Western Province and the State.

- Western LNG to target rapidly growing markets in nearby Indonesian Archipelago, South China Sea Rim, China and India; objective is to have project on stream in time to meet under-supply to these markets – forecast from 2023.

Outlook for 2018

Financial

- **Operating cash flows to significantly increase from Jan-18** with increased interest in Maari/Manaia, continuing steady production at Beibu Gulf fields, including cost recovery production entitlement and ongoing control of opex and capex
- **Continued focus on debt reduction**
- Continuing policy of **oil price hedging**: 750,000 barrels hedged over period Nov-17 to Dec-18 **at average ~US$58/bbl**

Block 22/12, offshore China

- Workover and drilling of 2 infill wells in WZ 12-8W field to commence in December 2017
- Completion of the Overall Development Plan and Final Investment Decision for the **WZ 12-8E** field development expected in 2017, **with first oil expected in 2019**

Maari/Manaia, offshore New Zealand

- **Complete acquisition of additional 16% interest*** and finalise insurance recoveries (**expected recovery of ~US$3 million**)
- **Further optimisation of oil production** through workover program and installation of multiphase pumps

WESTERN LNG - PDL 10 (Stanley), PRL 21 (Elevala/Ketu), PRL 28 (Ubuntu) and PRL 40 (Puk Puk/Douglas), Papua New Guinea

- **Progress the development concept for the Western Province gas aggregation and mid-scale LNG project** (WLNG) to Basis of Design and FEED (front-end-engineering and design) stage

* See HZN's announcement dated 6 Nov 2017

For more information please contact:

Horizon Oil Limited
Brent Emmett Chief Executive Officer

T: +61 2 9332 5000
F: +61 2 9332 5050
E: info@horizonoil.com.au

Level 6, 134 William St
Woolloomooloo NSW 2011
horizonoil.com.au

Media enquiries
Gavan Collery
ResourceComms Pty Ltd

M: +61 419 372 210
E: gavan@resourcecomms.com