



Horizon Oil Limited ABN 51 009 799 455  
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28 June 2018

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

### **Appointment of Managing Director and Chief Executive Officer**

As advised in the Company's announcement of 21 June 2018, Michael Sheridan has been appointed Managing Director and Chief Executive Officer. The appointment will take effect on 1 July 2018.

A summary of the key provisions of Mr Sheridan's employment agreement is set out in Annexure A below in accordance with ASX Listing Rule 3.16.4.

Yours faithfully

**Kylie Quinlivan**  
Corporate Counsel and Assistant Company Secretary

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For more information please contact:

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**Annexure A**  
**Summary of material terms of service**

**TERM**

- Mr Sheridan's appointment to the position of Managing Director and Chief Executive Officer will commence on 1 July 2018, with a fixed term of three years, expiring on 30 June 2021.
- Horizon Oil may terminate Mr Sheridan's appointment at any time and for any reason giving 12 months' notice in writing to Mr Sheridan.
- Mr Sheridan may terminate the appointment at any time by giving 6 months' notice in writing to Horizon Oil.

**REMUNERATION**

**Fixed remuneration**

- Mr Sheridan's total fixed remuneration is \$750,000 per annum, which includes:
  - a base salary;
  - superannuation contributions; and
  - any remuneration received or receivable by Mr Sheridan in respect of any office or employment in Horizon Oil or any related body corporate.
- The Board of Horizon Oil will undertake an annual review of the total fixed remuneration taking into account Mr Sheridan's performance, with such review to take effect on 1 January of each succeeding year of the term of Mr Sheridan's appointment.

**Variable remuneration – Short Term**

- Mr Sheridan will be eligible to receive a maximum annual payment in the amount of 50% of the total fixed remuneration, subject to the conditions set out in Horizon Oil's short term incentive plan.

**Variable remuneration – Long Term**

- Mr Sheridan will be eligible to participate in Horizon Oil's Share Appreciation Rights long term incentive plan, where Mr Sheridan may receive an annual award of Share Appreciation Rights equal in value to 50% of Mr Sheridan's total fixed remuneration, subject to the conditions set out in the long term incentive plan.

**Shareholder approval**

- The issue of any Share Appreciation Rights and the exercise of, or compliance with, any discretion, right or obligation under the long term incentive plan, is subject to the approval of the Horizon Oil shareholders where such approval is required under applicable laws or the ASX Listing Rules (or both).

**PAYMENTS ON TERMINATION**

- If Horizon Oil gives notice to Mr Sheridan terminating his appointment as Managing Director and Chief Executive Officer, Horizon Oil will pay Mr Sheridan an amount equal to the total of:
  - 12 months' total fixed remuneration;
  - the value of any short term incentive plan award actually paid to Mr Sheridan in the 12 months preceding the date of the notice of termination; and
  - the value of any long term incentive plan award that was granted or paid to Mr Sheridan in the 12 months preceding the date of the notice of termination.

**NON SOLICITATION**

- Mr Sheridan will be restricted, for a period of 12 months after the cessation of his appointment, from directly or indirectly:
  - soliciting business or services of any customer or supplier of Horizon Oil or related body corporate; or
  - enticing away (or attempting to entice away) an employee, officer, contractor or agent of Horizon Oil or related body corporate.