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28 November 2018

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 Mezzanine Level, Robinson/William Room, 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:

https://webcast.openbriefing.com/4777/

Yours faithfully,

Kylie Quinlivan
General Counsel/Company Secretary

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CHAIRMAN'S ADDRESS

2018 HORIZON OIL LIMITED AGM

Ladies and Gentlemen

During the 2018 financial year, we saw the impact of the Company's year on year oil sales growth coupled with strengthening oil prices. Annual revenue exceeded US$100 million and the resultant free cashflow from the Company's high margin oil production in China and New Zealand further strengthened the balance sheet, with net debt materially reduced, and enabled the acquisition, from cash reserves, of an additional 16% interest in the Maari/Manaia oil fields.

This strong operational performance, materially improved balance sheet and increasing investor confidence in the sector stemming from what had been, until recently, a strengthening oil price led to an improved share price, increasing by over 250% to 30 June 2018. The promising recoveries of the oil price and the Company's share price have been buffeted in recent months with considerable oil price volatility resulting largely from geopolitical factors compounding the impact of the as yet unresolved licence issues in relation to our Stanley project in PNG on the share price.

FY 2018 Key Achievements

Horizon Oil

- **Oil sales** volume of 1.65 million barrels 16% higher than FY 2017
- **Sales revenue** of US$100.0 million 46% higher than FY 2017
- **EBITDAX** of US$68.5 million 52% higher than FY 2017
- **Net cashflow from operating activities** of US$57.6 million 62% higher than FY 2017
- **Low operating costs** sustained at below US$20/bbl sold, and **free cashflow breakeven** (inclusive of capital expenditure, corporate, financing costs and tax), at US$38/bbl sold
- **Net debt reduced** by ~US$20 million to US$88.6 million, with US$27.6 million **cash on hand**
- **Acquisition** of an **additional 16% interest** in the Maari/Manaia fields in New Zealand; **additional 3.1 mmbbls** added to Proved plus Probable (2P) Reserves
- Continued strong production with current combined **production entitlement** of approximately > **6,000 bopd**
- **Good progress on 12-8E development planning,** CNOOC anticipating FID in early 2019
- **Progress made on the Western LNG development project in PNG**, with pre-FEED studies completed during the period confirming technical viability of the proposed concepts and cost estimates confirmed

The highlights of financial year 2018 are summarised in the slide. Annual oil sales of 1.65 million barrels represented a 16% growth from the 2017 year which, with an average realised oil price of US$60.65/bbl, generated over US$100 million in revenue and EBITDAX of US$68.5 million, up 52% on the 2017 result. Operating costs were maintained below US$20/barrel sold leading to an all-in free cashflow breakeven oil price of US$38/bbl sold.

The substantial free cashflow enabled the purchase, for US$17.6 million sourced from cash reserves, of an additional 16% interest in the producing Maari and Manaia fields, increasing our interest to 26%, while still reducing the Company's net debt by US$20 million by 30 June 2018.

As noted in the highlights, we finished the financial year with oil sales of approximately, 5,500 barrels/day. Shortly after year end, CNOOC, our operator in Block 22/12, offshore China, drilled two infill wells which continue to perform very well, such that our current oil sales entitlement is approximately 6,200/day from Block 22/12 and Maari/Manaia.

The Company continues to implement its policy of hedging commodity exposure at prudent levels, with approximately 800,000 barrels hedged in the 2019 financial year.

During the year CNOOC progressed the commercial and legal arrangements for the Wei Zhou 12-8 East development in Block 22-12 with final investment decision scheduled in early 2019 as CNOOC takes the opportunity to acquire a substantially constructed mobile offshore production platform (MOPU). This MOPU will be leased by the joint venture, reducing upfront capital costs. The WZ 12-8 East development decision will result in an approximate 20% increase to our Block 22/12 2P reserves with the opportunity for substantial future increases as we better define the recoverable resource from the very material WZ 12-8 East oil accumulation.

Our extensive pre-FEED analysis of the Western LNG development concept was completed during the year. In carrying out this analysis we engaged specialist firms such as:-

- Technip for the LNG facilities; and
- CPE, a subsidiary of Petrochina, for the pipelines, to analyse the overall development.

The pre-FEED analyses by the specialist firms confirmed the technical viability of the proposed concept and substantiated Horizon Oil's overall cost estimates for the project. Over the coming 12 to 18 months, we will work with our joint venture partners and the PNG government to progress planning for the Western LNG development as well as the reactivation of the Stanley condensate recovery project.

While we advance our planning for Western LNG, it is worthwhile to note that the condensate rich gas resources in the Stanley, Elevala, Ketu and Ubuntu fields lie to the south of ExxonMobil and Oil Search's P'nyang gas field which will provide the threshold volumes for PNG LNG train 3. The gazetted route of the gas and condensate pipelines from P'nyang to the PNG LNG facilities passes within 20 kilometres of the Ketu field. With the Government of Papua New Guinea having announced that its proposed Gas Policy would seek to ensure third party access to such pipelines and the gas volumes of Horizon Oil's condensate rich gas being approximately 40% of that of P'nyang and the condensate volumes in excess of those at P'nyang, there is clearly encouragement at the national government level for coordinated developments. Subject to commercial arrangements, Horizon Oil would welcome such a development concept.

Interest in the Western LNG project and its underlying gas-condensate resource base was demonstrated earlier this year when Repsol announced the sale of its PNG licence interests to a Chinese power group, China Changcheng Natural Gas Power Co. Ltd Group.

Unfortunately, that announcement coincided with the receipt of notices from the PNG Minister of Petroleum of the intention to cancel PDL 10, the Stanley development licence and the Stanley gas agreement.

As we have previously advised, Repsol, the operator of PDL 10, is of the view that the notices are without merit and are procedurally invalid. Based on external legal advice, Horizon Oil supports this view. While we have initiated the independent arbitration process established under the gas agreement, Horizon Oil and the PDL 10 joint venture continue to work with the PNG Petroleum Minister and the Department of Petroleum to resolve any disagreement with respect to the good standing of PDL 10, PL 10 and the Stanley Gas Agreement.

To complete recent highlights, earlier this month we announced the refinancing and consolidation of the Company's debt. On financial close of the new US$95 million senior debt facility, the Company repaid residual subordinated debt, materially reduced the Group's financing costs and extended the term of its senior debt facilities. Horizon Oil continued its relationship with ANZ and Westpac and welcomed one of the world's largest banks, Industrial and Commercial Bank of China, to its lender group. This was a purposeful step with the objective of strengthening our relationship with a Chinese bank given the majority of Horizon Oil's cashflow is generated in China and the advantages of such relationships taking into account our material gas and condensate resources in Papua New Guinea.

[Board and management transition]

The management changes I announced at last year's AGM took place on 30 June this year, with Brent Emmett and Alan Fernie retiring from the Company and Michael Sheridan appointed chief executive officer and executive director. The transition was seamless as a result of the close association of the three members of the Company's long standing management team and the professional manner in which they approached the task.

Brent and Alan have led and been instrumental in building Horizon Oil's tremendous asset base, have stewarded the Company through challenges encountered in recent years and have established a sound platform for the Company's progression. Horizon Oil will continue to benefit from Brent and Alan's experience and skills as they have been retained in advisory roles, assisting the management team.

Michael's experienced and very capable management team is composed predominantly of internal appointees which contributed to the smooth management transition and importantly retention of corporate knowledge and existing relationships with stakeholders.

And now to board renewal. As advised last year, I shall retire as Chairman and non-executive director at the conclusion of this meeting. I have had the pleasure of being a director of your Company for 28 years and chairman for the last 3 years. During my association with the Company, I have witnessed and, of course, been closely involved in, its transformation from a junior explorer to a Company with material oil production in China and New Zealand, with substantial development opportunities ahead in China and, significantly, Papua New Guinea.

While the Company's growth and performance can be objectively assessed and measured, I'd like to acknowledge the growth and performance of Horizon Oil's personnel, particularly in recent years. It has been my great pleasure during my time as a director to work with a consistently high calibre board which has been considered, responsive and understands its role of stewardship.

On my retirement, I am pleased to advise that the board has invited Mike Harding to join as a director and Chairman of Horizon Oil. Mike is a highly experienced oil professional who has held management positions around the world with British Petroleum (BP), including President and General Manager of BP Exploration Australia and Papua New Guinea.

Mike Harding is the chairman of Downer EDI and Lynas Limited and a non-executive director of Cleanaway Waste Management Limited, a former chairman of Roc Oil Company Limited and Clough Limited and a former director of Santos Limited. Mike holds a Masters in Science, majoring in Mechanical Engineering.

I invite Mike to say a few words …
[Mike Harding]

In conclusion and in my final address as chairman, taking into account Horizon Oil's:

- portfolio of oil producing assets in China and New Zealand generating substantial free cashflow;
- low cost expansion opportunity being pursued with CNOOC in China with the 12-8 East development which has the capacity to increase materially in scale as development options for the field are better understood;
- material position in the substantial condensate-rich gas fields in Papua New Guinea accounting for approximately 90% of the company's total reserves

and resources; and

- low and reducing debt and an increasingly strengthening balance sheet

The company's board and management have considerable confidence that your company has the existing production capacity and financial resilience to deal with the current oil price volatility while progressing the commercialisation opportunities inherent in Horizon Oil's material resource portfolio.

Ladies and gentlemen – thank you for attending the 2018 Annual General Meeting today. I hope you will stay on after the formal business of the meeting is concluded and hear Michael's presentation on Horizon Oil's activities and the outlook for the company.

John Humphrey

Chairman

Horizon Oil

HORIZON OIL LIMITED/ ABN 51 009 799 455

Annual General Meeting

28 November 2018

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, references are made to EBITDAX, underlying profit and net operating cashflow, which are financial measures which are not prescribed by Australian Accounting Standards.

  – EBITDAX represents the profit adjusted for interest expense, taxation expense, depreciation, amortisation, and exploration expenditure (including non-cash impairments)
  – Underlying profit represents the profit adjusted for the unrealised movement in the value of options issued under the subordinated loan facility
  – Net operating cash flow represents revenue after operating costs, excluding non-cash amortisation and inventory adjustments

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

- Unless otherwise stated, all petroleum reserves and resource estimates refer to those estimates as set out in the Horizon Oil's Reserves and Resources Statement as at the balance date (i.e. 30 June) as most recently released to ASX. Horizon Oil is not aware of any new information or data that materially affects the information included in this presentation. All the material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. 6 Bcf of sales gas equals 1 mmboe.

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

HORIZON OIL LIMITED/ ABN 51 009 799 455

Chairman’s Address

John Humphrey

FY 2018 key achievements

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HORIZON OIL LIMITED/ ABN 51 009 799 455

Items of Business

Formal resolutions

Resolutions		For (%)	Open (%)	Against (%)
2.	To adopt the Remuneration Report	98.36%	0.18%	1.46%
3.	To re-elect Mr Gerrit de Nys as a Director	80.58%	0.22%	19.20%
4.	The approval of 2018 grant of long term incentives (LTIs) to Mr Michael Sheridan, Chief Executive Officer and Managing Director in accordance with the terms of his employment	97.91%	0.27%	1.82%

HORIZON OIL LIMITED / ABN 51 009 799 455

Closure of Meeting

HORIZON OIL LIMITED / ABN 51 009 799 455

CEO's Address
Michael Sheridan

Presentation outline

- Company overview
- Investment proposition
- Key achievements – 2018
- Commodity price
- Debt outlook and hedging
- Asset review
  - Beibu Gulf fields, offshore China
  - Maari/Manaia fields, offshore New Zealand
  - Western LNG, onshore Papua New Guinea
- Outlook for 2019
- Q&A

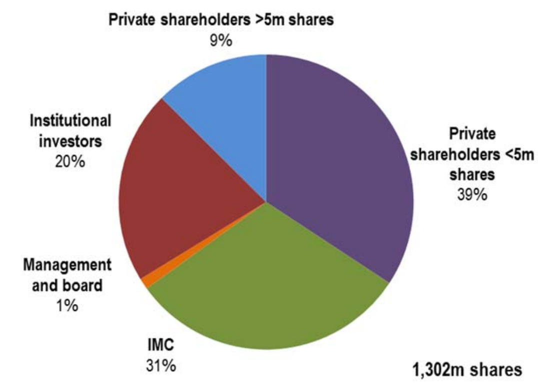
Horizon Oil (ASX:HZN) snapshot

A focused portfolio of conventional production, development and exploration assets in Asia-Pacific region, including :

- 26.95% interest in Beibu Gulf oil fields, offshore China
- 26% interest in Maari/Manaia oil fields, offshore New Zealand
- 30% interest in Western LNG resources base , onshore Papua New Guinea

Key data	
2P Reserves[1]	8.9 mmbo
2C Resources[1]	127 mmboe (27 mmbo and 599 bcf)
Market Capitalisation[2]	A$137m
Cash at hand[2]	~ US$25m
Drawn debt under debt facilities[3]	US$94.6m
Net Debt[3]	~ US$70m
FY 2018 EBITDAX	US$68.5m
FY 2019 EBITDAX (forecast)	US$65m – US$75m
Shares on Issue	1,302 million
Employee Options	2.6 million
Share Appreciation Rights	129.2 million
IMC Options	300 million

1. 30 June 2018
2. As at 27 November 2018
3. End November 2018



Horizon Oil as an investment proposition

Strong, long-lived production profile and strong cash flow generation

- Current production entitlement is > 6,000 bopd of net oil sales from developed, offshore, conventional oil fields
- Strong net operating cash flow from China and New Zealand, FY2019 forecast to be US$70 – 80 million, with modest capital expenditure
- Low operating costs sustained below US$20/bbl, and free cashflow breakeven (inclusive of capital expenditure, corporate, financing costs and tax), at US$38/bbl sold for FY 2018
- Prudent financial management, with steadily decreasing debt, proactive hedging policy and loss-of-production insurance

Compelling investment opportunity

- Leverage to Brent oil prices, low cost oil production and reserves
- Low geared balance sheet - net debt/EBITDAX of 1.3X (FY2018); <1.0X (Cal 2018)
- HZN is trading on favourable valuation ratios compared with sector, EV/EBITDAX (FY2018) of ~2.5X; ~2.0X (Cal 2018)

FY 2018 key achievements

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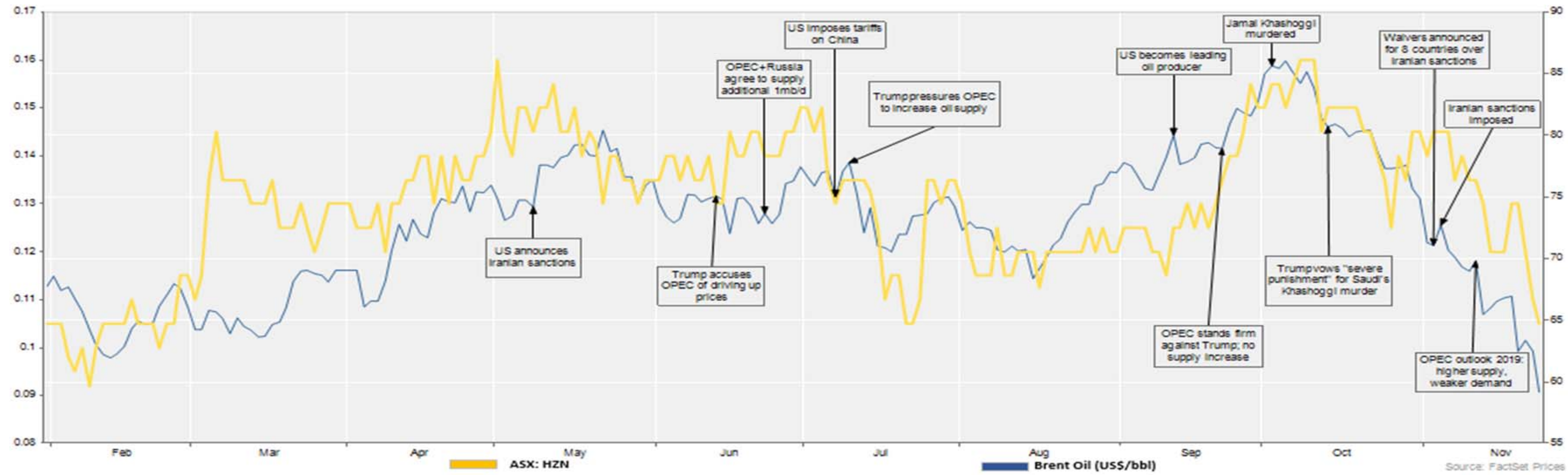
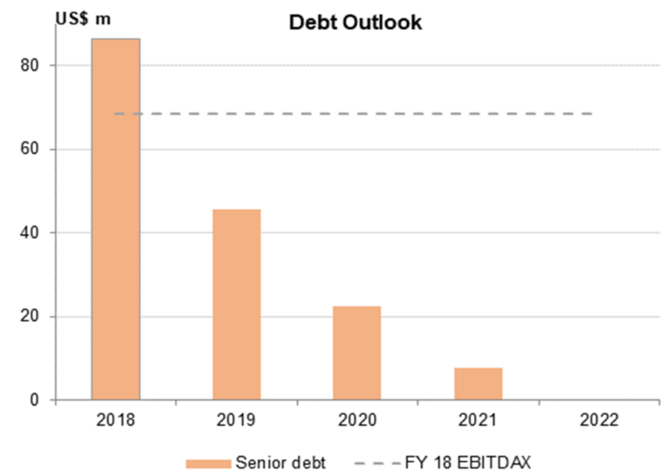
Oil price and recent geopolitical events



- Reimposition of Iranian sanctions were anticipated to cause reduction of 1.3 – 1.7 mb/day of exports from 5 Nov 2018 to end Q1 2019
- Saudis/OPEC pressured by Trump to increase production in anticipation of sanction impact
- Khashoggi death strains US-Saudi relationship
- Prior to US mid-term elections, US grants 8 temporary waivers from Iranian sanction to largest importers of Iranian crude oil
- US refinery maintenance/turnaround period October – November adding to US inventory build
- Focus on OPEC 6 December 2018 meeting for production cuts

Debt outlook and hedging

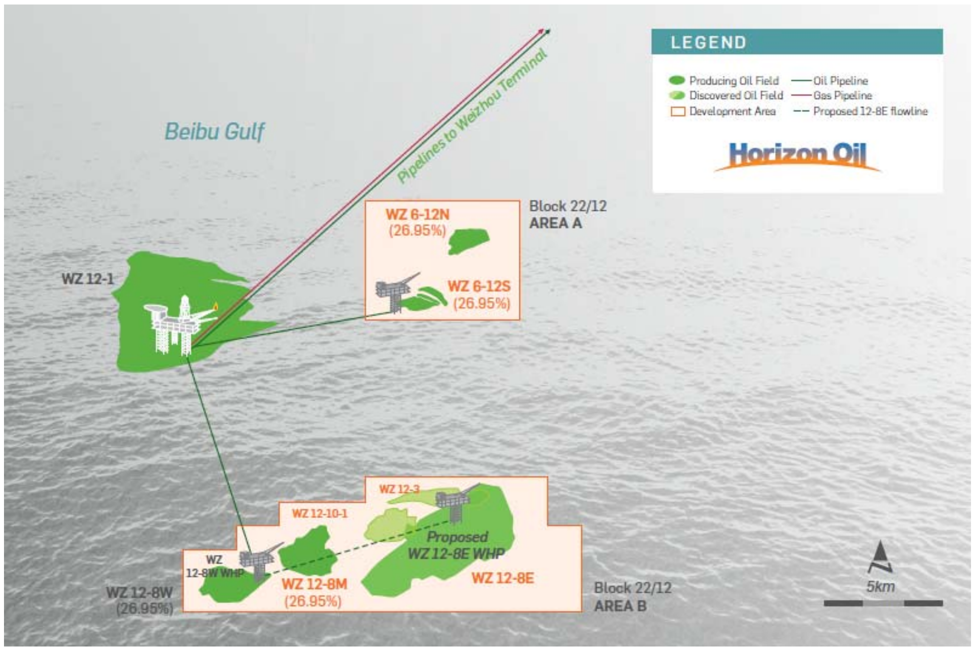


- Senior debt facility for US$95 million finalised in November 2018 (ANZ, WBC and ICBC)
- Proceeds used to repay subordinated debt and previous senior facility
- Improved terms and tenor under senior facility
  - Interest 2.75% plus LIBOR
  - PNG assets outside lender security package
- Anticipated debt profile based on cashflow forecasts contemplates average repayment of US$10 million/qtr to Dec 2019

Production and hedge levels			
Financial year	**2017**	**2018**	**2019 (f)**
Sales (bbls)	1,421,940	1,659,626	1,600,000
Swaps (bbls)	660,300	793,750	795,500
% sales hedged	46%	48%	50%

- Consistent application of hedging policy
- Swap price dependent on hedge timing
- Most recent swaps 200,000 bbls at US$77/bbl settling in 2H FY 2019
- Weighted average price of remaining swaps - ~US$65/bbl

Beibu Gulf, China (26.95%)

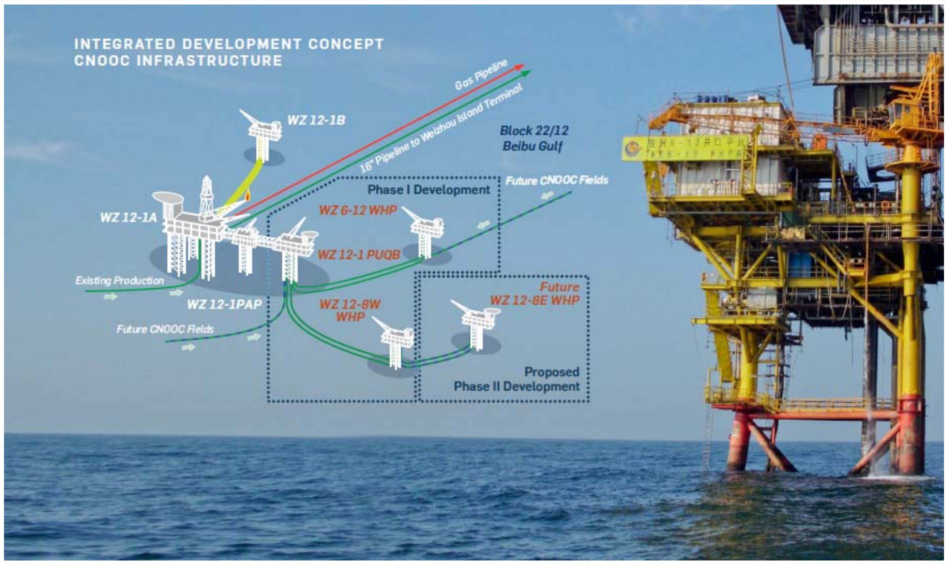


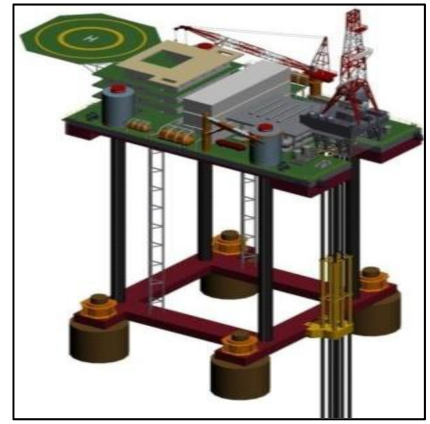
Block 22/12 – producing WZ 6-12/12-8W	
HZN	**26.95%**
CNOOC	51.00% (Op)
Fosun/Roc	19.60%
Majuko Corp	2.45%

Reserves and Contingent Resources as at 30/06/18 (mmbbl)	100% Basis		Horizon Oil Share	
	2P	2C	2P	2C
Block 22/12	17.1	11.8	4.5	3.0

- Production from multiple fields via 18 wells, currently approximately 11,500 bopd; recent 2 infill wells continue to produce at over 3,000 bopd
- Further infill drilling opportunities identified for 2019/2020
- Customary petroleum contract, with remaining cost recovery oil entitlement of US$37.5 million (Sept 2018) to be recovered through 2019
- Low operating costs; below US$10 per bbl sold for FY 2018
- Good progress on WZ 12-8E development planning with CNOOC anticipating FID in early 2019

Beibu Gulf - near-term development project

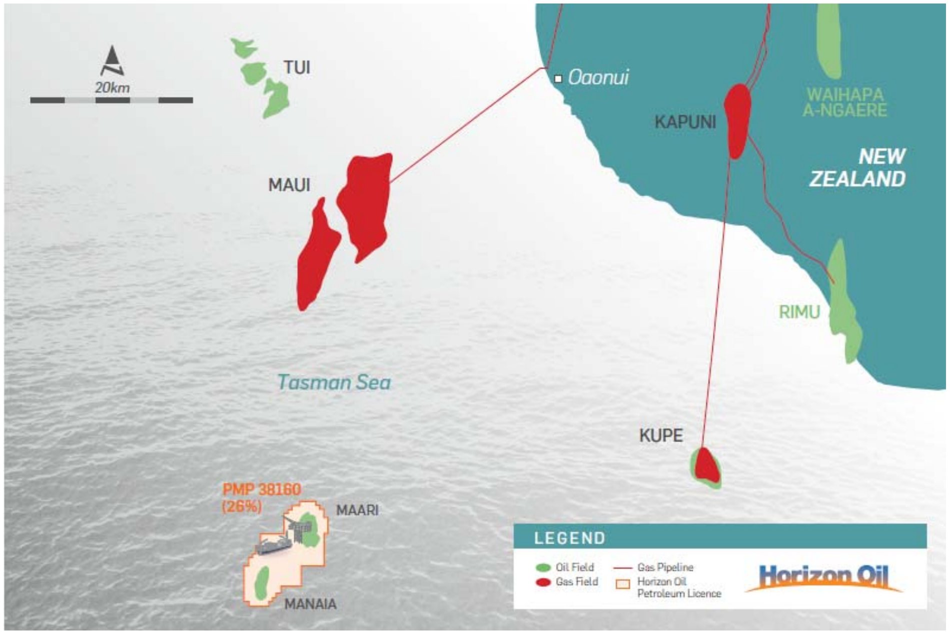




Leased mobile production platform (MOPU)

- Development plan (ODP) for integrated development of WZ 12-8E and associated fields to be submitted for Government approval in 2018
- Three stage development, with first production target in 2020
- Platform on WZ 12-8E will be a leased, mobile production unit to minimise capex
- Flexible flowlines to tie platform back to the WZ 12-8W platform
- Phased development approach reduces cost and risk and enhances ability to optimise development
- Material expansion potential as reservoir is better understood through first 2 phases

Maari / Manaia fields, New Zealand (26%)

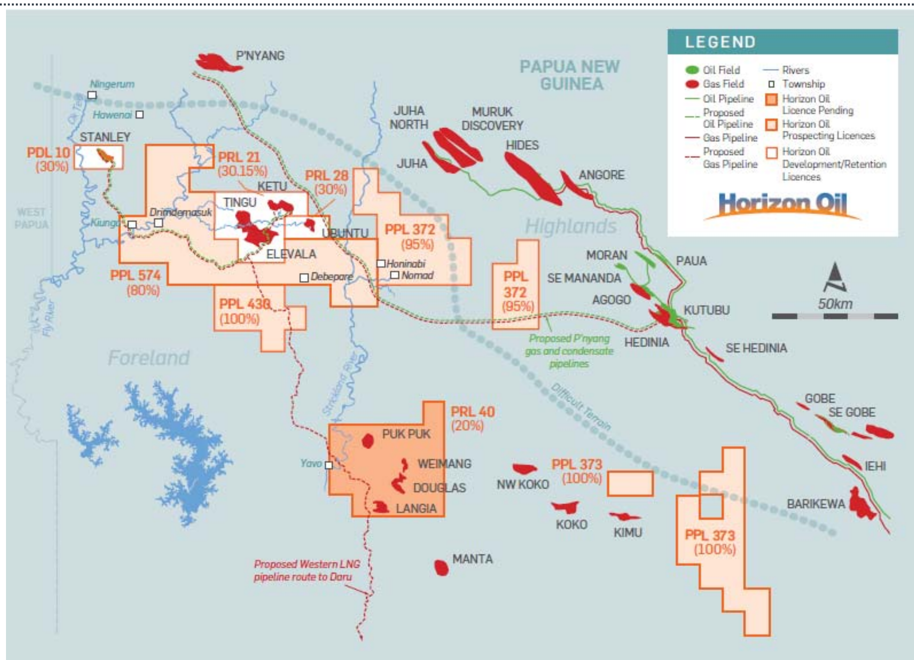


- Gross production currently ~ 6,000 bopd from 9 production wells
- Joint venture focus on production optimisation and operating cost reductions able to be derived from ownership of FPSO
- Continued evaluation of opportunities for improved production and overall recovery rates from water injection optimisation

PMP 38160 - Maari/Manaia	
HZN	**26.00%**
OMV	69.00% (Op)
CUE	5.00%

Reserves and Contingent Resources as at 30/06/18 (mmbbl)	100% Basis		Horizon Oil Share	
	2P	**2C**	**2P**	**2C**
PMP 38160 -Maari/Manaia	17.1	16.4	4.5	4.3

Western Forelands Region, PNG



- **Horizon Oil holds material interests in all four fields that will supply the proposed Western LNG project** and has an ~30% interest in the total gross audited resources including 64 mmbbls of condensate and ~2,200 PJ of sales gas
- **Proposed PNG Gas Policy** to enable third party access to P'nyang to Kutubu pipeline
- **Planning for the proposed Western LNG development project progressed:** technical viability of selected project concept and cost estimates confirmed
- Re-emergence of **Stanley early condensate recovery scheme** as an investment proposition with the potential to provide nearer term condensate and domestic gas revenue, while planning for the longer-dated Western LNG project

PDL 10 (Stanley)	
HZN	**30.00%**
Repsol	40.00% (Op)
Osaka Gas	20.00%
Kumul	10.00%

PRL 21 (Elevala/Ketu)	
HZN	**30.15% (Op)**
Repsol	35.10%
Osaka Gas	18.00%
Kina	16.75%

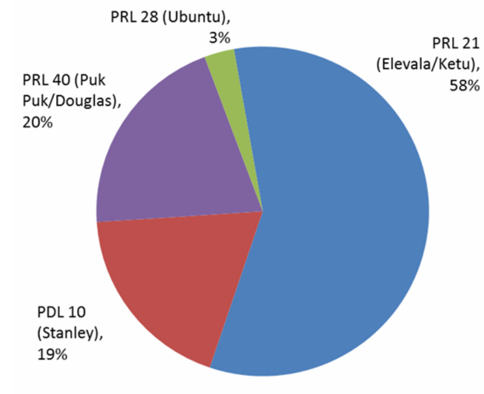
PRL 28 (Ubuntu)	
HZN	**30.00% (Op)**
Repsol	37.50%
Kumul	20.00%*
P3GE	12.50%

PRL 40 (Puk Puk/Douglas)	
Repsol	60.00% (Op)
HZN	**20.00%***
Kumul	20.00%*

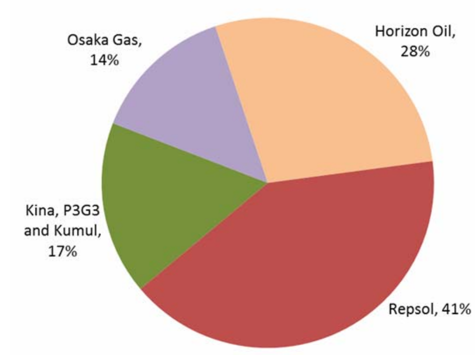
**The Group will exchange a 20% interest in PRL 28 for a 20% interest in PRL 40 (Puk Puk, Douglas, Langia and Weimang gas fields) in a trade with Kumul Petroleum Holdings, PNG's national oil company. Completion of this transaction is conditional on customary PNG Government approvals*

Western LNG resources distribution and ownership

- Significant exploration and appraisal activity by HZN and its partners, including 19 wells and 11 production tests, has enabled independent certification of a material resource in the Western Foreland Region
- Flow tests confirmed capacity for Stanley, Elevala/Ketu field production wells to produce in excess of 70 mmscf/day with processed condensate/gas ratios of 60 bbls/mmscf (Elevala/Ketu) and 28 bbls/mmscf (Stanley)
- Independently audited gross contingent resources (2C) of ~2200 PJ of sales gas and 64 mmbbls of condensate
- Resource ownership is concentrated with Horizon Oil and Repsol holding a combined interest of 70% of the total resource and each operating two of the four Western LNG licences
- Foundation gas for the project is concentrated in 2 licences



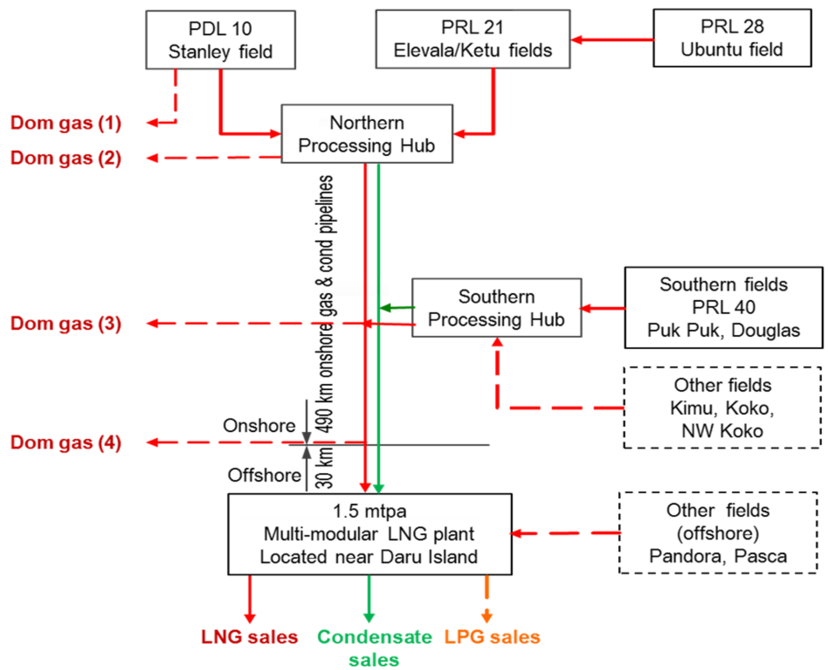
Field share of boe

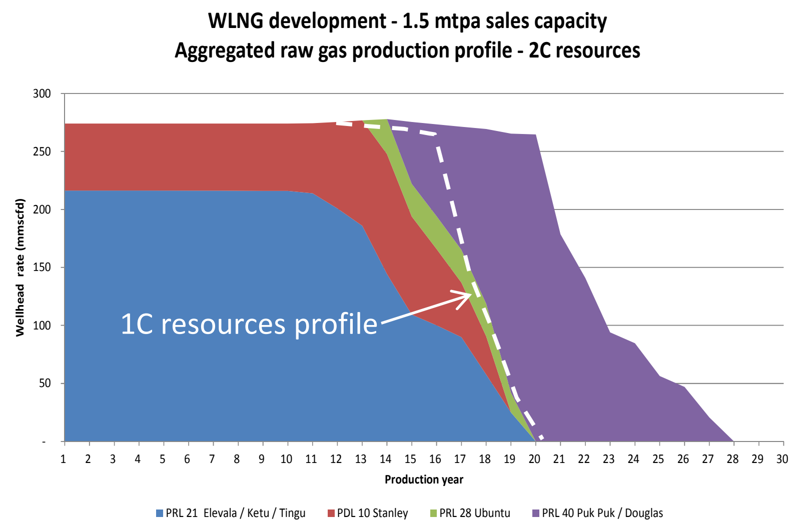


Participants' share of boe

Note: Petroleum resource ranges used in this presentation are based on Horizon Oil's 2018 Reserves and Resources Statement, announced on 23 August 2018

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

2019 Outlook

Financial

- **Continued strong operating cash flows supported by developed, low cost, conventional oil fields**
- **Progressive reduction of debt**

Block 22/12, China

- **Continued higher production** entitlement (~35% share of production) through FY 2019
- **Final investment decision** of the proposed WZ 12-8E phased development, providing access to gross contingent resources of 11.8 mmbbl

Maari/Manaia, New Zealand

- Further **optimisation of oil production** through water injection conversion program

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

- Resolution of PDL 10 licence issues
- Re-emergence of **Stanley early condensate** recovery scheme as an attractive investment proposition, with the potential to provide near term condensate and domestic gas revenue, while continuing to progress Western LNG

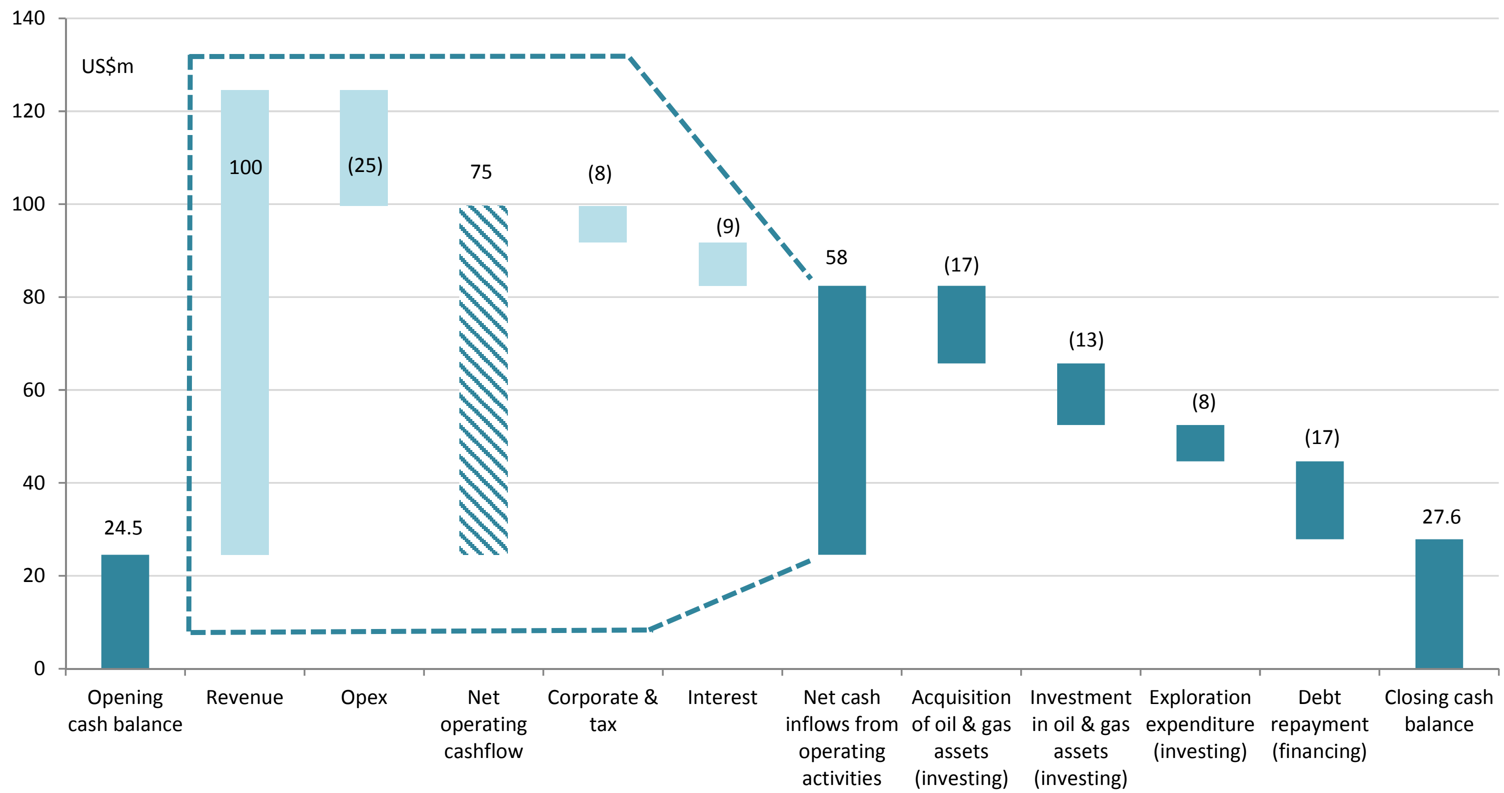
APPENDICES

FY2018 Financial overview

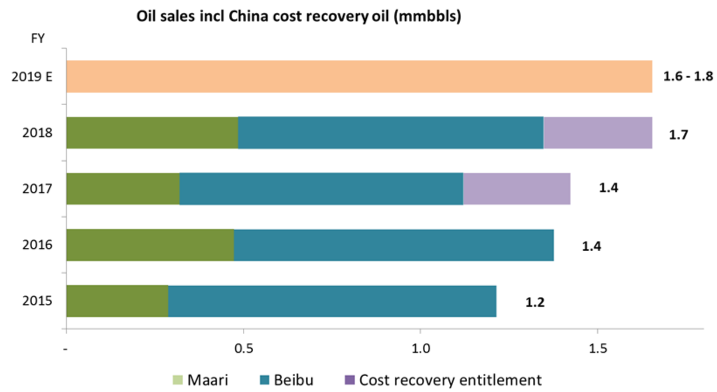
(US$ million)	FY 2018	FY 2017	Δ	Δ (%)
Sales Volume (mmbbl)	1.65	1.42	0.23	16%
Revenue	**100.0**	**68.5**	**31.5**	**46%**
EBITDAX	**68.5**	**45.2**	**23.3**	**52%**
Underlying profit before tax	**18.9**	**2.8**	**16.1**	**586%**
Less: Finance costs (unrealised movement in value of options)	(20.5)	1.4	(21.9)	*n.m.*
Profit/(loss) before tax	**(1.6)**	**4.2**	**(5.7)**	**(138%)**
Net debt	**88.6**	**108.5**	**(19.9)**	**(18%)**
Closing cash	27.6	24.5	3.1	13%

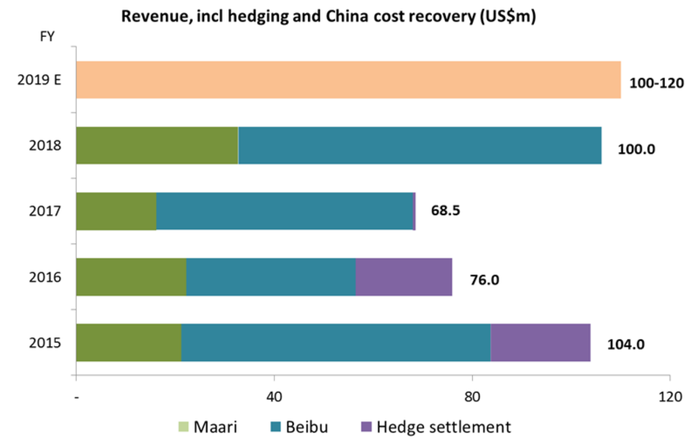
- Material increase in sales volumes
- **Robust and increasing EBITDAX and cashflow generation** at field level
- Underlying profit before tax of US$18.9 million, impacted by **257% increase in the share price** resulting in an unrealised non-cash financing cost
- **Net debt reduced by ~US$20 million**, after funding Maari/Manaia fields acquisition using internally generated cashflow

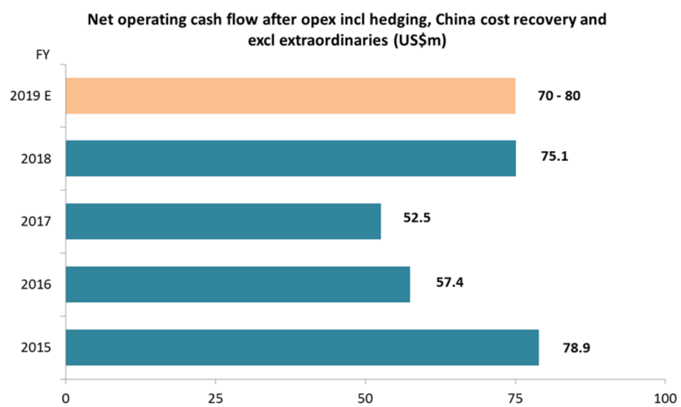
FY 2018 key cashflow drivers

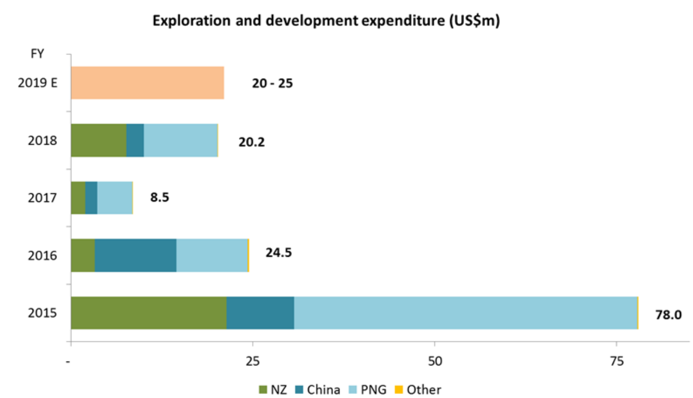


Performance and FY 2019 forecast[1]









1. Assuming US$70/bbl Brent average annual oil price

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