

17 February 2021

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

HORIZON ANNOUNCES SHARE BUY-BACK OF UNMARKETABLE PARCELS OF SHARES

Horizon Oil Limited [**ASX:HZN**] (**Horizon**) is pleased to announce that it has today instituted an off-market share buy-back facility (**Buy-Back Facility**) to offer to buy-back shares held by shareholders that are unmarketable parcels of shares in Horizon (**Eligible Shareholders**) as at 7:00pm [Sydney time] on Friday, 12 February 2021 (**Record Date**).

Under the ASX Listing Rules, any shareholding in Horizon valued at less than \$500 is considered to be an “unmarketable parcel” of shares. Based on the closing price of \$0.079 per share as at the Record Date, an unmarketable parcel of shares in Horizon is any shareholding of 6,329 shares or less. Horizon shareholders who held more than 6,329 shares as at the Record Date will not be eligible to participate in the Buy-Back Facility.

The Buy-Back Facility will allow Eligible Shareholders to sell their shares back to Horizon at \$0.083 per share (**Buy-Back Price**), being the volume-weighted average price for the five-day trading period preceding the Record Date. Shares purchased by Horizon under the Buy-Back Facility will be cancelled in accordance with the *Corporations Act 2001* [Cth].

Horizon values all of its shareholders and is offering to buy-back unmarketable parcels under the Buy-Back Facility to assist Eligible Shareholders to sell and realise their shares without incurring brokerage and other expenses. Horizon will pay for all costs associated with the Buy-Back Facility (excluding tax consequences which remain the shareholder’s responsibility) and expects to reduce administrative costs associated with maintaining a large number of small holdings.

Eligible Shareholders will have their Horizon shares bought back by Horizon at the Buy-Back Price in full unless they opt-out or increase their shareholding to more than 6,329 shares by 5:00pm [Sydney time] on Wednesday, 31 March 2021 (**Closing Time**).

Horizon is sending the attached letter to Eligible Shareholders (**Shareholder Letter**). The Shareholder Letter encloses relevant documents and provides more information about the Buy-Back Facility, including the procedure for opting-out of the Buy-Back Facility. Eligible Shareholders who wish to retain their shares must complete and sign their personalised Share Retention Form and forward it to Horizon’s share registry, Computershare Investor Services Pty Limited [Computershare], by mail to GPO Box 52, Melbourne, Victoria, 3001 or by email to corpactprocessing@computershare.com.au, so that it is received by the Closing Time.

Key dates for the Buy-Back facility:

7:00pm (Sydney time) Friday, 12 February 2021	Record Date
Wednesday, 17 February 2021	Announcement of the Buy-Back Facility to the ASX
Wednesday, 17 February 2021	Despatch of Shareholder Letters and Share Retention Forms to Eligible Shareholders
5:00pm (Sydney time) Wednesday, 31 March 2021	Closing Time for receipt of Share Retention Forms / period to opt-out of Buy-Back Facility
Wednesday, 7 April 2021	Announcement of outcome of the Buy-Back Facility to the ASX
As soon as practicable post Wednesday, 14 April 2021	<p>Eligible Shareholders whose shares were bought back under the Buy-Back Facility will have proceeds remitted to them and will be sent documentation advising them of the number of shares sold and the amount of proceeds remitted.</p> <p>Proceeds will be remitted to the bank account that the Eligible Shareholder has registered with Computershare. If no bank account is registered, proceeds will be remitted by cheque mailed to the address that the shareholder has registered with Computershare.</p>

Horizon may modify these dates or suspend or terminate the Buy-Back Facility. Any modification, suspension or termination will be notified by written notice to the ASX.

For further information, please contact the Horizon Buy-Back Information Line on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 17 February 2021 and 15 April 2021, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time).

Authorisation

This ASX announcement is approved and authorised for release by Horizon's Board of Directors



17 February 2021

HZN
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Dear Shareholder,

OFFER FROM HORIZON OIL LIMITED TO BUY-BACK UNMARKETABLE PARCELS OF SHARES (OFFER)

This letter contains important information about your shareholding in Horizon Oil Limited.

I am writing to you as a shareholder with an unmarketable parcel of shares in Horizon Oil Limited (ASX:HZN) (**Horizon**) as at 7:00pm (Sydney time) on Friday, 12 February 2021 (**Record Date**).

In order to provide liquidity to eligible shareholders, the Board of Horizon has instituted an off-market share buy-back facility (**Buy-Back Facility**) to offer to buy-back shares held by shareholders that are unmarketable parcels of shares in Horizon (**Eligible Shareholders**) as at the Record Date, as announced to the Australian Securities Exchange (ASX) on Wednesday, 17 February 2021. The buy-back will be undertaken under the terms set out in this Offer and the procedure in Division 2 of Part 2J.1 of the *Corporations Act* 2001 (Cth) (**Corporations Act**).

Under the ASX Listing Rules, any shareholding in Horizon valued at less than \$500 is considered to be an "unmarketable parcel" of shares. Based on the closing price of \$0.079 per share as at the Record Date, an unmarketable parcel of shares in Horizon is any shareholding of 6,329 shares or less.

The Buy-Back Facility has been instituted to allow shareholders like you to sell and realise their shares without incurring brokerage and other expenses and to reduce the administrative and registry costs for Horizon that are associated with unmarketable parcels. Horizon will pay for all costs associated with the Buy-Back Facility (excluding tax consequences which remain the shareholder's responsibility).

The Buy-Back Facility will allow Eligible Shareholders to sell their shares back to Horizon at \$0.083 per share (**Buy-Back Price**), being the volume-weighted average price for the five-day trading period preceding the Record Date. Shares that are purchased by Horizon under the Buy-Back Facility will be cancelled in accordance with the Corporations Act.

This letter provides more information about the Buy-Back Facility and the choices that are available to you. The directors wish to remind you that as a valued shareholder, Horizon will not buy-back your shares if you wish to retain your shareholding.

Your choices

1. If you want Horizon to buy-back your unmarketable parcel at the Buy-Back Price of \$0.083 per share, you do not need to do anything.
2. If you do not want Horizon to buy-back your unmarketable parcel, then you must:
 - (a) complete the enclosed, personalised Share Retention Form and return it in accordance with the instructions on that form. Your completed Share Retention Form must be received by our share registry, Computershare Investor Services Pty Limited (**Computershare**), by mail to GPO Box 52, Melbourne, Victoria, 3001 or by email to corpactprocessing@computershare.com.au, by no later than 5:00pm (Sydney time) on Wednesday, 31 March 2021 (**Closing Time**). If your completed Share Retention Form is not received by Computershare by the Closing Time, your shares will be bought back by Horizon in accordance with the Offer; or

- (b) acquire additional shares in Horizon on-market so that your shareholding is noted on Horizon's share register as being greater than 6,329 shares (that is, a marketable parcel) as at the Closing Time; or
- (c) if you hold shares in multiple shareholdings that together constitute a parcel of more than 6,329 shares, arrange to have those holdings merged into one shareholding that is noted on Horizon's share register as being greater than 6,329 shares (that is, a marketable parcel) as at the Closing Time.

If you choose to complete and return a Share Retention Form as outlined in step 2(a) above, you are advised to allow reasonable time for it to be received by Computershare by the Closing Time.

If you choose to acquire additional shares or merge multiple shareholdings as outlined in step 2(b) or step 2(c) above, you are advised to allow reasonable time for these actions to be effected on Horizon's share register by the Closing Time.

Key dates for the Buy-Back Facility:

7:00pm (Sydney time) Friday, 12 February 2021	Record Date
Wednesday, 17 February 2021	Announcement of the Buy-Back Facility to the ASX
Wednesday, 17 February 2021	Despatch of Shareholder Letters and Share Retention Forms to Eligible Shareholders
5:00pm (Sydney time) Wednesday, 31 March 2021	Closing Time for receipt of Share Retention Forms / period to opt-out of Buy-Back Facility
Wednesday, 7 April 2021	Announcement of outcome of the Buy-Back Facility to the ASX
As soon as practicable post Wednesday, 14 April 2021	<p>Eligible Shareholders whose shares were bought back under the Buy-Back Facility will have proceeds remitted to them and will be sent documentation advising them of the number of shares sold and the amount of proceeds remitted.</p> <p>Proceeds will be remitted to the bank account that the Eligible Shareholder has registered with Computershare. If no bank account is registered, proceeds will be remitted by cheque mailed to the address that the shareholder has registered with Computershare.</p>

Horizon may modify these dates or suspend or terminate the Buy-Back Facility. Any modification, suspension or termination will be notified by written notice to the ASX.

For further important information about the Buy-Back Facility, please read the 'Additional Important Information' and 'Frequently Asked Questions' sections below. If, after reading those sections, you still have questions or need further information, you may contact the **Horizon Buy-Back Information Line** on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 17 February 2021 and 15 April 2021, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time).

Yours sincerely,



Mike Harding
Chairman

ADDITIONAL IMPORTANT INFORMATION

1. The Buy-Back Facility was first announced to the ASX on Wednesday, 17 February 2021. Horizon will also provide further information about its financial performance for the half-year ended 31 December 2020 and key corporate developments before the end of February 2021 and the Closing Time.
2. Horizon is offering to buy-back shares under the Buy-Back Facility in accordance with the terms set out in this Offer, the procedure in Division 2 of Part 2J.1 of the Corporations Act and the ASX Listing Rules.
3. If a shareholder holds more than one unmarketable parcel, Horizon will buy-back each unmarketable parcel unless:
 - a. Computershare receives a Share Retention Form for each unmarketable parcel that the shareholder wishes to retain; or
 - b. multiple unmarketable parcels are merged to form a marketable parcel of greater than 6,329 shares.
4. If you hold one or more unmarketable parcels in Horizon on trust, Horizon will only buy-back those unmarketable parcels in respect of which it has not received a Share Retention Form. If the beneficial holder of an unmarketable parcel that you hold on trust wishes to retain their holding, you must submit a Share Retention Form for that particular unmarketable parcel.
5. It is important to note that the market price of Horizon's shares may change from time to time. The Buy-Back Price may be more or less than the actual market price at the time of the buy-back and may not be the best price obtainable on the day on which your shares are bought back. Information on the price of Horizon's shares can be obtained from the daily financial press or through the ASX website (www.asx.com.au) using Horizon's ASX code, which is "HZN".
6. While Horizon will pay for brokerage and handling costs associated with the buy-back of shares through the Buy-Back Facility, any taxation consequences will be the shareholder's responsibility. Please see the 'Frequently Asked Questions' section below for general information on taxation consequences. If you have questions about taxation consequences, please seek the independent advice of a legal, financial or taxation adviser.
7. Horizon makes no recommendation as to whether you should participate in this Buy-Back Facility, whether or how you should sell your shares or the value of your shares. If you have questions about whether to retain or sell your shares, you should consult a legal, financial or taxation adviser.
8. Before a buy-back is effected under the Buy-Back Facility, Horizon may revoke a notice given in relation to, or suspend or terminate the operation of the Buy-Back Facility, either generally or in specific cases.
9. Horizon reserves the right to change any of the dates, terms or conditions referred to in the Offer by written notice to the ASX.
10. This information sheet (and the accompanying Offer documents) does not constitute advice, nor is it a recommendation to sell, buy or hold shares in Horizon.

FREQUENTLY ASKED QUESTIONS

Who is eligible to participate in this Buy-Back Facility?

Under the ASX Listing Rules, any shareholding in Horizon valued at less than \$500 is considered to be an “unmarketable parcel” of shares.

Shareholders in Horizon are eligible to participate in this Buy-Back Facility if they held shareholdings in Horizon valued at less than \$500 as at the Record Date (being 7:00pm (Sydney time) on Friday, 12 February 2021). Based on the closing price of \$0.079 per share as at the Record Date, an unmarketable parcel of shares in Horizon is any shareholding of 6,329 shares or less.

Horizon shareholders who hold more than 6,329 shares as at the Record Date will not be eligible to participate in this Buy-Back Facility.

If my shares are bought back through the Buy-Back Facility, how much will I receive per share?

If your unmarketable parcel is bought back through the Buy-Back Facility, you will receive the Buy-Back Price of \$0.083 per share. The Buy-Back Price has been determined using the volume-weighted average price for the five-day trading period preceding the Record Date.

What do I need to do to sell my shares under the Buy-Back Facility?

Nothing. Your unmarketable parcel will be bought back through the Buy-Back Facility unless you return a Share Retention Form or increase your shareholding to more than 6,329 shares by the Closing Time.

If my shares are bought back through the Buy-Back Facility, how much will I receive for all of my shares?

The total price that you will receive for an unmarketable parcel if it is bought back through this Buy-Back Facility will be the number of shares in that unmarketable parcel multiplied by the Buy-Back Price of \$0.083 per share.

You can confirm the number of shares in your unmarketable parcel by reviewing the enclosed, personalised Share Retention Form or by contacting the **Horizon Buy-Back Information Line** on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 17 February 2021 and 15 April 2021, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time), noting the Closing Time for receipt of your Share Retention Form is 5:00pm (Sydney time) on Wednesday, 31 March 2021.

Do I need to pay anything if I participate in the Buy-Back Facility?

Horizon will pay all costs and expenses associated with the Offer. Any tax consequences will be your responsibility.

If my shares are bought back through the Buy-Back Facility, when will I receive the proceeds from the buy-back?

If your unmarketable parcel is bought back through the Buy-Back Facility, the proceeds from that buy-back will be remitted to you as soon as practicable after 14 April 2021. Around that time, you will also receive documentation detailing the number of your shares sold and the amount of proceeds remitted to you. This documentation will be sent by mail or email if you have previously nominated to receive communication electronically.

What if I do not wish to sell my unmarketable parcel?

If you do not wish to sell your unmarketable parcel, you must return the Share Retention Form or increase your shareholding to more than 6,329 shares by the Closing Time.

If my shares are bought back through the Buy-Back Facility, how will I receive the proceeds from the buy-back?

If your unmarketable parcel is bought back through the Buy-Back Facility, the proceeds from that buy-back will be paid into the bank account that you have nominated for your shareholding or by cheque to the postal address you have registered for your shareholding.

You can update your bank account details by visiting www.investorcentre.com/au or by contacting the **Horizon Buy-Back Information Line** on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 17 February 2021 and 15 April 2021, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time). If you are an issuer sponsored shareholder and need to update your address, you can also do this at www.investorcentre.com/au. If you have a CHESS sponsored holding and need to update your address, you will need to contact your controlling participant.

If you participate in the Buy-Back Facility and would like your updated address or bank account details to be used when remitting proceeds and sending documentation to you, please ensure that these details are updated by the Closing Time.

What are the tax consequences of having my shares sold through the Buy-Back Facility?

The tax outcomes of participating in the Buy-Back Facility will vary depending on your circumstances.

If you are in the business of trading shares or hold the shares as revenue assets, you may have an assessable gain or loss on sale on revenue account.

It is Horizon's view that proceeds will be entirely treated as a return of capital, with the buy-back under the Buy-Back Facility resulting in a Capital Gains Tax (CGT) event.

If you are an Australian resident shareholder, you will need to calculate a capital gain or capital loss. Details of the CGT event are required to be disclosed in your 2021 income tax return, regardless of whether you are required to pay tax on the event.

If you are not an Australian resident, you should be entitled to disregard the capital gain or loss for the purposes of calculating your Australian taxable income. You may still have a tax liability in your country of residence.

The above commentary is broad in nature, and it is strongly recommended that you consult with a taxation adviser regarding your particular circumstances.

Can I sell some but not all of my shares through the Buy-Back Facility?

No, you may not sell part of an unmarketable parcel through the Buy-Back Facility. If you choose to participate in this Buy-Back Facility, your entire unmarketable parcel will be bought back by Horizon.

If I buy more shares, will my shareholding be bought back?

Your unmarketable parcel will not be bought back if you acquire additional shares in Horizon on-market so that your shareholding is noted on Horizon's share register as being greater than 6,329 shares (that is, a marketable parcel) as at the Closing Time.

Any additional shares acquired must be registered by the Closing Time, under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Share Retention Form.

What do I do if I have multiple unmarketable parcels?

If there is more than one unmarketable parcel registered under your name, you will receive this letter and a personalised Share Retention Form for each of your unmarketable parcels.

If you would like Horizon to buy-back each of your unmarketable parcels, **you do not need to do anything** and all of the unmarketable parcels registered in your name will be bought back.



If you would like to keep one or more of your unmarketable parcels, you may take one of the following actions:

1. complete the enclosed, personalised Share Retention Form for each of the unmarketable parcels that you would like to keep and return it in accordance with the instructions on the Share Retention Form; or
2. acquire additional shares in Horizon on-market so that each of the unmarketable parcels that you would like to keep is noted on Horizon's share register as being greater than 6,329 shares (that is, a marketable parcel) as at the Closing Time; or
3. if the unmarketable parcels that you hold together constitute a parcel of more than 6,329 shares (that is, a marketable parcel), arrange to have those holdings merged into one shareholding that is noted on Horizon's share register as being greater than 6,329 shares as at the Closing Time.

I need to update my address or bank account details. How do I do this?

You can update your bank account details by visiting www.investorcentre.com/au or by contacting the **Horizon Buy-Back Information Line** on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 17 February 2021 and 15 April 2021, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time). If you are an issuer sponsored shareholder and need to update your address, you can also do this at www.investorcentre.com/au. If you have a CHESS sponsored holding and need to update your address, you will need to contact your controlling participant.

If you participate in the Buy-Back Facility and would like your updated address or bank account details to be used when remitting proceeds and sending documentation to you, please ensure these details are updated by the Closing Time.

Who do I contact if I have further questions?

If you have any further questions about the information contained in this letter or about the Buy-Back Facility, please contact **the Horizon Buy-Back Information Line** on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 17 February 2021 and 15 April 2021, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time).