

28 June 2021

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

HORIZON – SHARE CAPITAL REDUCTION OF 1.4 CENTS PER ORDINARY SHARE [TALLING A\$22.1M]

Horizon is pleased to announce that the Board has approved an equal capital reduction of approximately A\$22.1 million or 1.4 cents per ordinary share (**Share Capital Reduction**), subject to shareholder approval.

Given Horizon's strong balance sheet and continued strong free cashflow generation which has been aided by increasing oil prices, the Board considers that it is appropriate to return surplus capital to shareholders. The surplus capital arises from the proceeds of the recent exercise of 300 million options and the consideration from the sale of Horizon (PNG Holdings) Limited, representing approximately A\$22.1 million or 1.4 cents per ordinary share. The Board will be seeking shareholder approval for the Share Capital Reduction.

Horizon's CEO, Chris Hodge commented:

"Horizon's strong balance sheet and recent capital injections put us in an ideal position to return surplus capital to shareholders now. We will continue to review and balance opportunistic growth for the Company with shareholder distributions, with the overall objective being to maximise shareholder value."

Horizon will apply to the Australian Tax Office (**ATO**) for a class ruling on the income tax treatment of the Share Capital Reduction. For more detail on the Share Capital Reduction, including tax implications, see the Notice of Extraordinary General Meeting (**EGM**) and Explanatory Notes.

Now that the Company has directed its capital management plans to a significant Share Capital Reduction, the Company will discontinue the current on-market buy-back which was scheduled to run until 3 September 2021. Following successful completion of the Share Capital Reduction, the Company will continue to review its capital management plans with a view to maximising shareholder value.

Horizon's Board and management look forward to welcoming you to our EGM on 28 July 2021.

Authorisation

This ASX announcement is approved and authorised for release by the Company Secretary.