

19 November 2021

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

## **HORIZON 2021 ANNUAL GENERAL MEETING POLL RESULTS AND PRESENTATION**

In accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, we advise details of the resolutions and the proxies received in respect of each resolution as set out in the attached proxy summary.

Also attached is the AGM Presentation made by the CEO during the meeting.

### **Authorisation**

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

**HORIZON OIL LIMITED**  
**Annual General Meeting**  
**Friday, 19 November 2021**  
**Results of Meeting**

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth) and ASX Listing Rule 3.13.2.

Resolution details		Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll (where applicable)			Resolution Result
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
2 Remuneration Report	Ordinary	651,839,767 95.82%	24,255,852 3.57%	4,149,912 0.61%	320,888,302	659,951,000 96.51%	23,893,883 3.49%	321,268,302	Carried
3a To elect Mr Nigel Burgess as Non-executive Director	Ordinary	991,640,392 99.07%	4,186,513 0.42%	5,120,153 0.51%	3,178,598	1,002,132,470 99.72%	2,813,940 0.28%	3,178,598	Carried
3b To re-elect Ms Sandra Birkensleigh as Non-executive Director	Ordinary	953,746,288 95.31%	43,098,817 4.31%	3,820,153 0.38%	3,460,398	960,800,335 95.64%	43,846,244 4.36%	3,478,429	Carried
4 Approval of 2021 grant of long term incentives ("LTIs") to Mr Christopher Hodge, Managing Director and Chief Executive	Ordinary	922,687,272 92.13%	74,723,054 7.46%	4,063,557 0.41%	2,651,773	928,232,150 92.32%	77,241,085 7.68%	2,651,773	Carried

\* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll.



# 2021 AGM PRESENTATION

ANNUAL GENERAL MEETING PRESENTATION



## 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 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 Free 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, and non-cash impairments
- Free Cash Flow represents Cashflow from Operating Activities less Investing cashflows
- All references to dollars in the presentation are United States dollars unless otherwise noted.

## Reserves Disclosure

- Unless otherwise stated, all petroleum reserves and resource estimates refer to those estimates as set out in Horizon's Reserves and Resources Statement as at the balance date (i.e. 30 June) as most recently released to ASX. Horizon 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.
- For the purposes of this presentation, 6 bcf of raw gas equals 1 mmboe.
- The estimates of petroleum reserves and resources contained in this statement are based on, and fairly represent, information and supporting documentation prepared by staff and independent consultants under the supervision of Mr Gavin Douglas, the GM-Production and Exploration of Horizon Oil Limited. Mr Douglas is a full-time employee of Horizon Oil Limited and is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers. Mr Douglas' qualifications include a Master of Reservoir Evaluation and Management from Heriot Watt University, UK and more than 24 years of relevant experience. Mr Douglas consents to the use of the petroleum reserves and resources estimates in the form and context in which it appears.
- This presentation should be read in conjunction with the 2021 Reserves and Resources Statement, the Annual Financial Report for the year ended 30 June 2021 and ASX Announcements.

**Maximise Free  
Cashflow**

**Further Distributions to  
Shareholders  
when prudent to do so**

**Invest in New Business  
if exceptional**

Production and financial metrics were within or exceeded FY21 guidance range (USD unless specified)

Production 1.33 MMbbls  
Sales 1.27 MMbbls

Much improved oil price  
\$63.6 million revenue  
\$20 million free cashflow\*

Corporate costs reduced  
EBITDAX \$36.4 million  
PAT \$7.8 million

Total distributions to  
shareholders A\$49.4 million

- AUD 3cps capital return
- On-and off-market buybacks

Exercise of 300 million warrants  
injected A\$18.3 million cash

Net cash \$31.7 million at Y/E prior  
to AUD 3cps capital return  
(A\$47.4 million)

*\* Free Cashflow represents cash flows from operating activities less investing cash flows*

The priority has been to increase production, reduce costs and maximise returns from the producing assets

No loss of containment, strong  
safety record  
Greenhouse Gas reductions

10 workovers restored production  
across both assets

WZ12-8E project sanctioned at  
time of low oil price

Maintenance of low cash  
operating costs below \$20/bbl

Clean exit from PNG for cash and  
no residual liability

2x infill wells [China] added 2,200  
bopd [initial rate]

Right sized for Horizon, and meaningful to our stakeholders and the wider community

## HSE

- Work closely with Operators - targeting zero fatalities, minimal injury frequency rates and Zero spills to the environment

## Governance

- Zero tolerance policy on bribery and other forms of corruption
- Highest standards of integrity and ethical business conduct

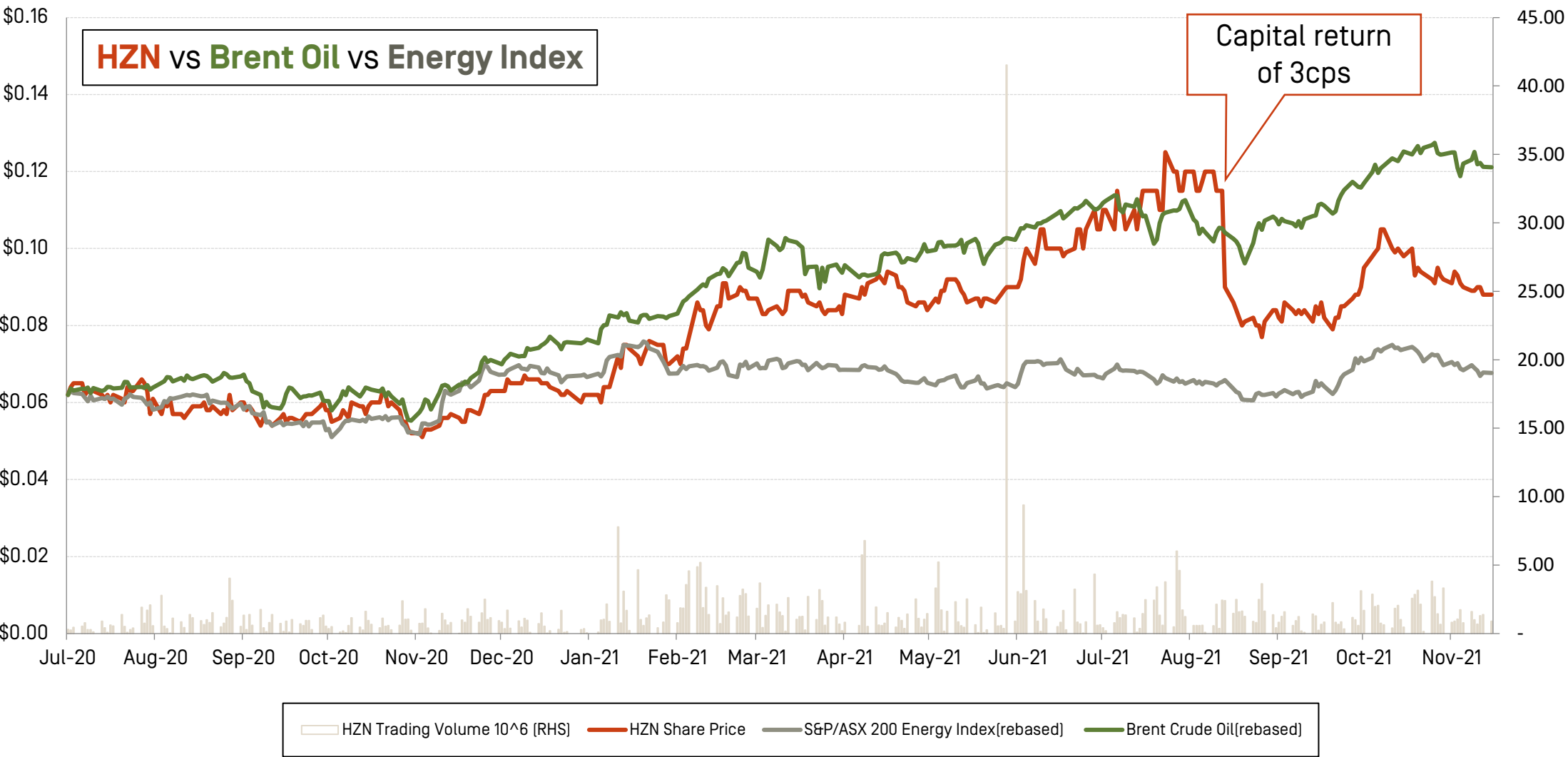
## People – employees and communities

- We support our team to achieve excellence
- Strive to make a positive impact in the communities where we operate

## Climate Change

- Our priority is to minimise absolute Scope 1 emissions
- Currently 59% of Scope 1 and 2 emissions offset

# SHARE PRICE PERFORMANCE – JULY 2020 TO PRESENT



# THE PRODUCING ASSETS

China, Beibu Gulf, 26.95% production / 55% exploration

- CNOOC [51% - Operator]
- Roc Oil [19.6%]
- Majuko Corp. [2.45%]



New Zealand, Maari, 26%

- OMV [69% - Operator]\*
  - Cue Energy [5%]
- \* Sale to Jadestone Energy pending NZ Regulatory approvals



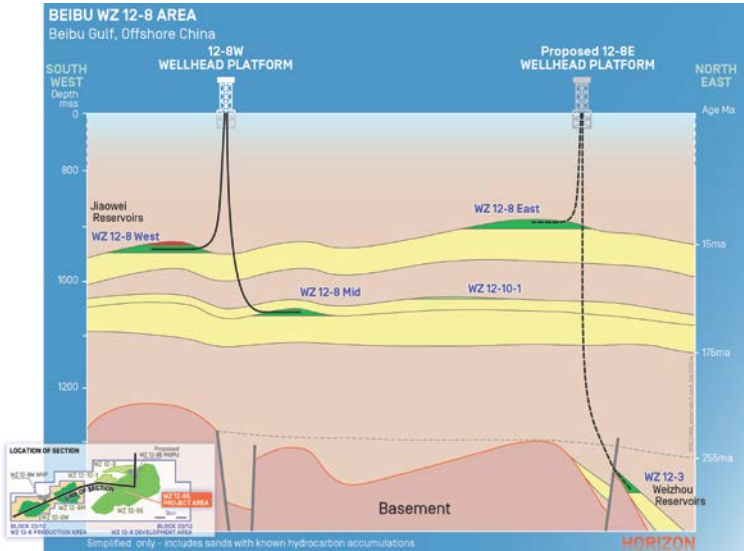
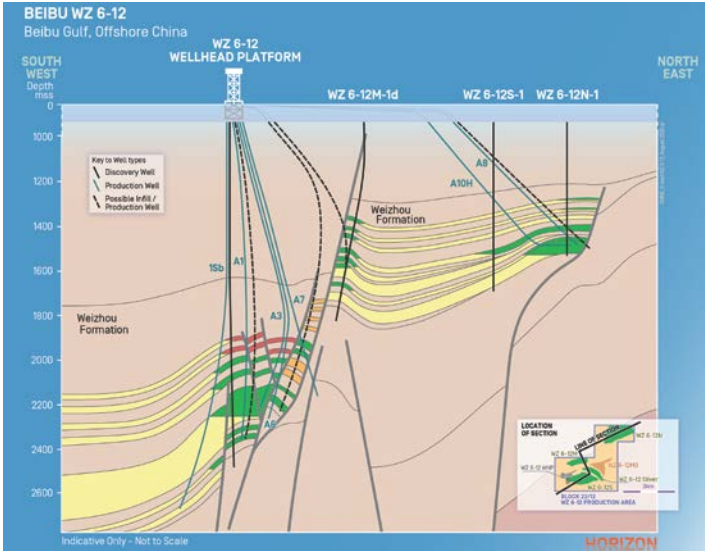
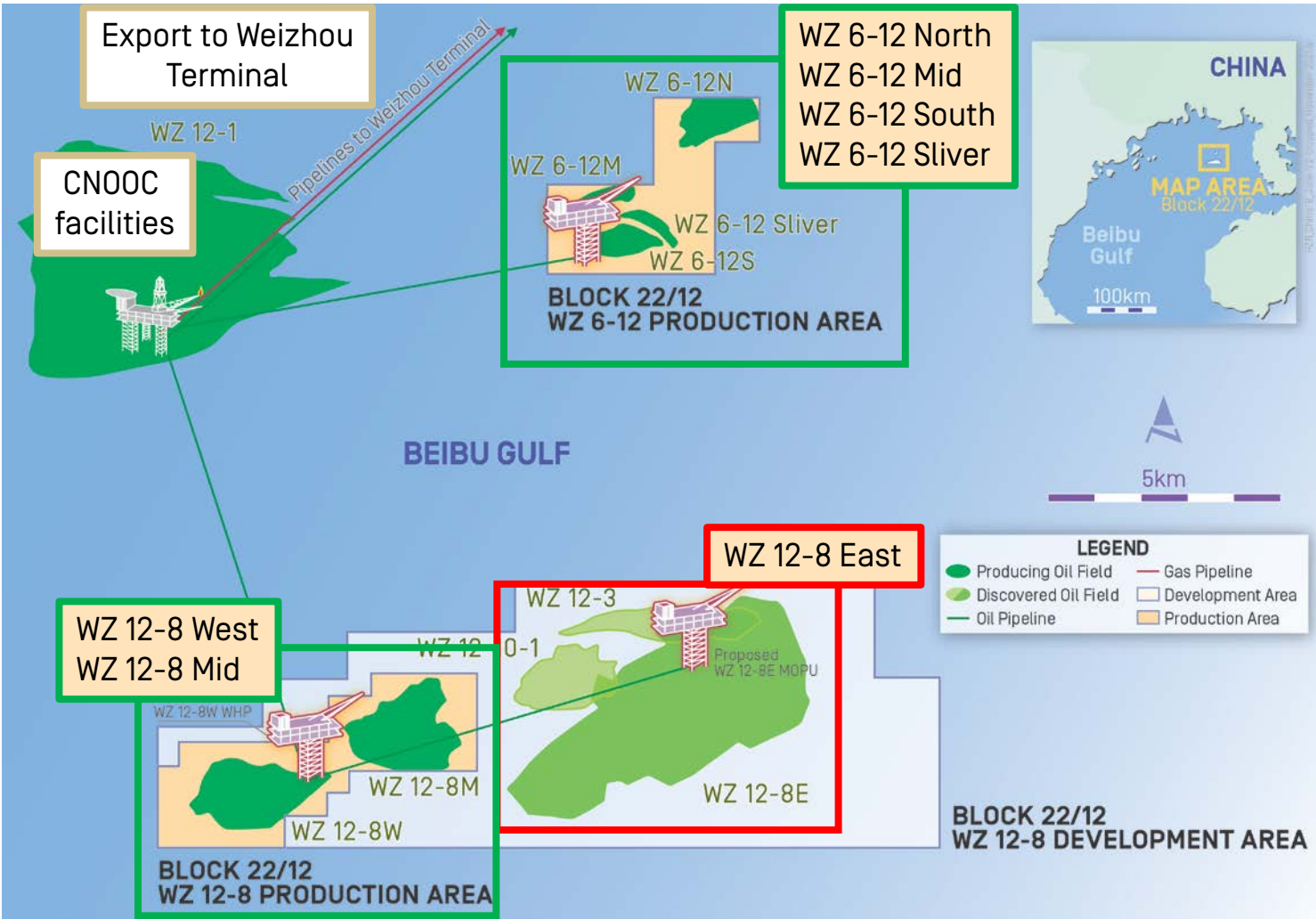
- Production is currently ~9,900 bopd [gross] from 19 wells across 5 discrete fields
- Production rates are maintained through a combination of near-field drilling, increased water handling and production optimisation via well workovers and continually improving operating practices
- JV is continuously identifying and evaluating infill well and near-field exploration opportunities which will support current production in the longer term
- New WZ12-8E field development. Anticipated first production early Q2 CY2022

Block 22/12 continues to generate approximately 70% of Horizon cashflow

Permits continue - WZ6-12 and WZ12-8W until 2028; WZ12-8E field until 2030

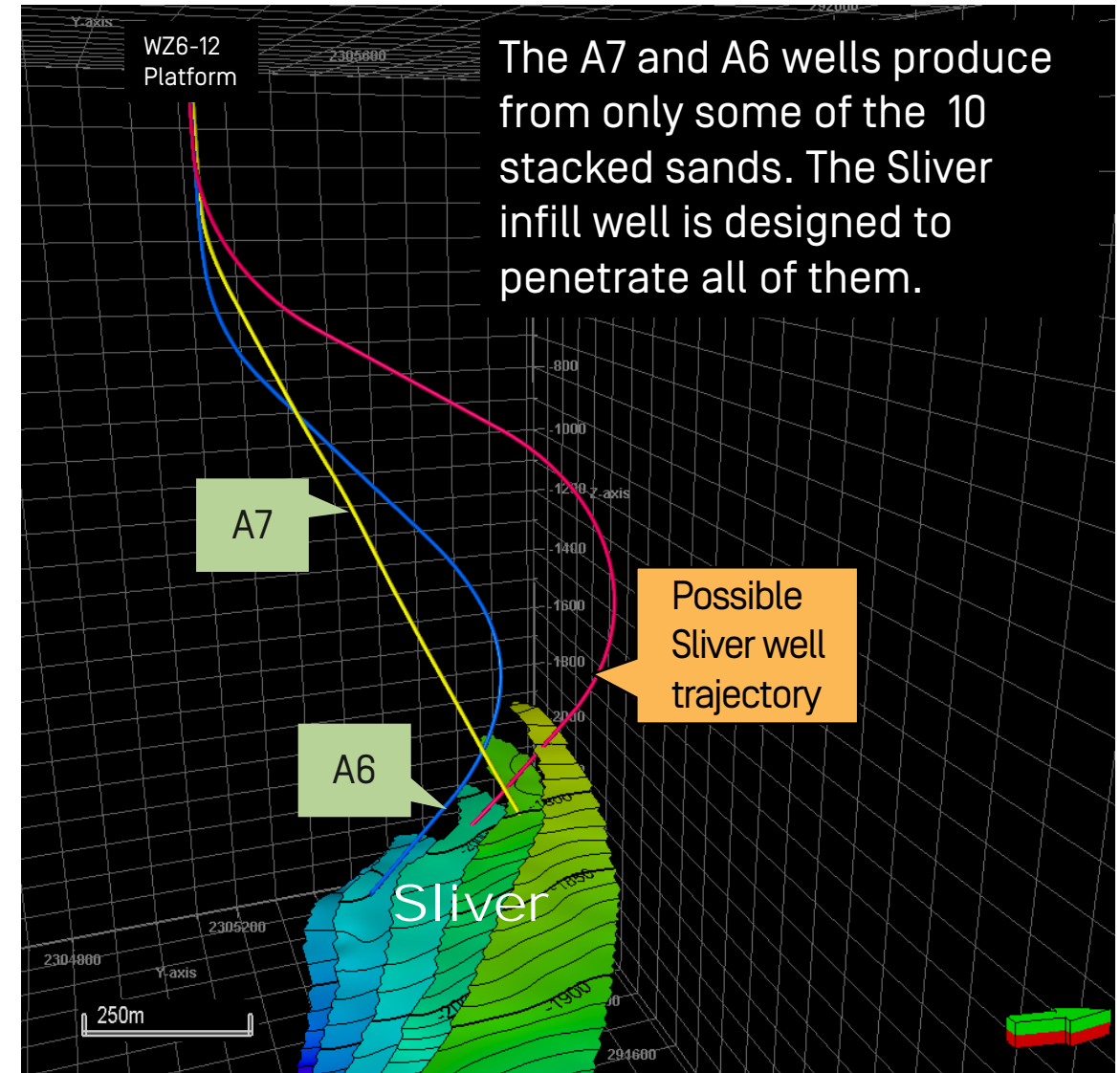
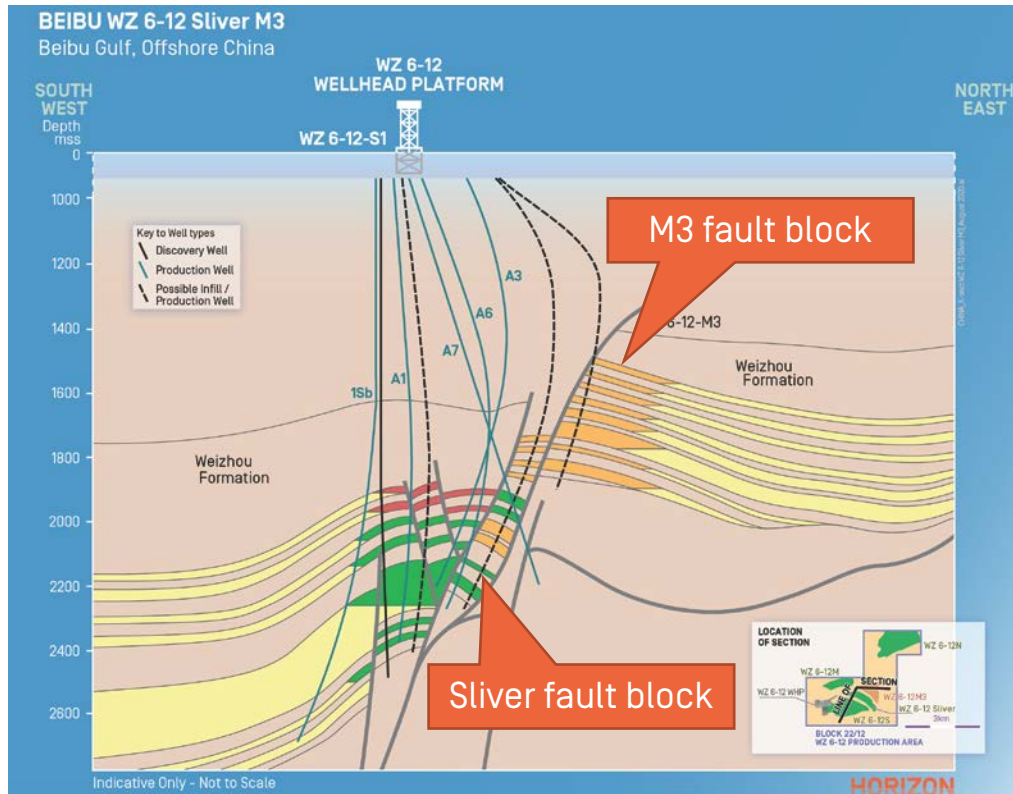
Low cash operating costs – approximately US\$12/bbl produced over FY2021

WZ6-12 and WZ12-8W field abandonment costs prepaid into a sinking fund



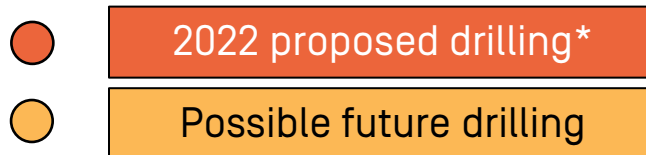
## PLANNED WZ6-12 SLIVER INFILL WELL\*

- The Sliver infill well is proposed for 2022\* and is estimated to recover ~0.5mmbbl gross [risky]
- Planned to intersect a mix of discovered [Contingent Resources] and undiscovered [Prospective Resources] reservoirs
- Gross incremental production could be 600-1,200 bopd

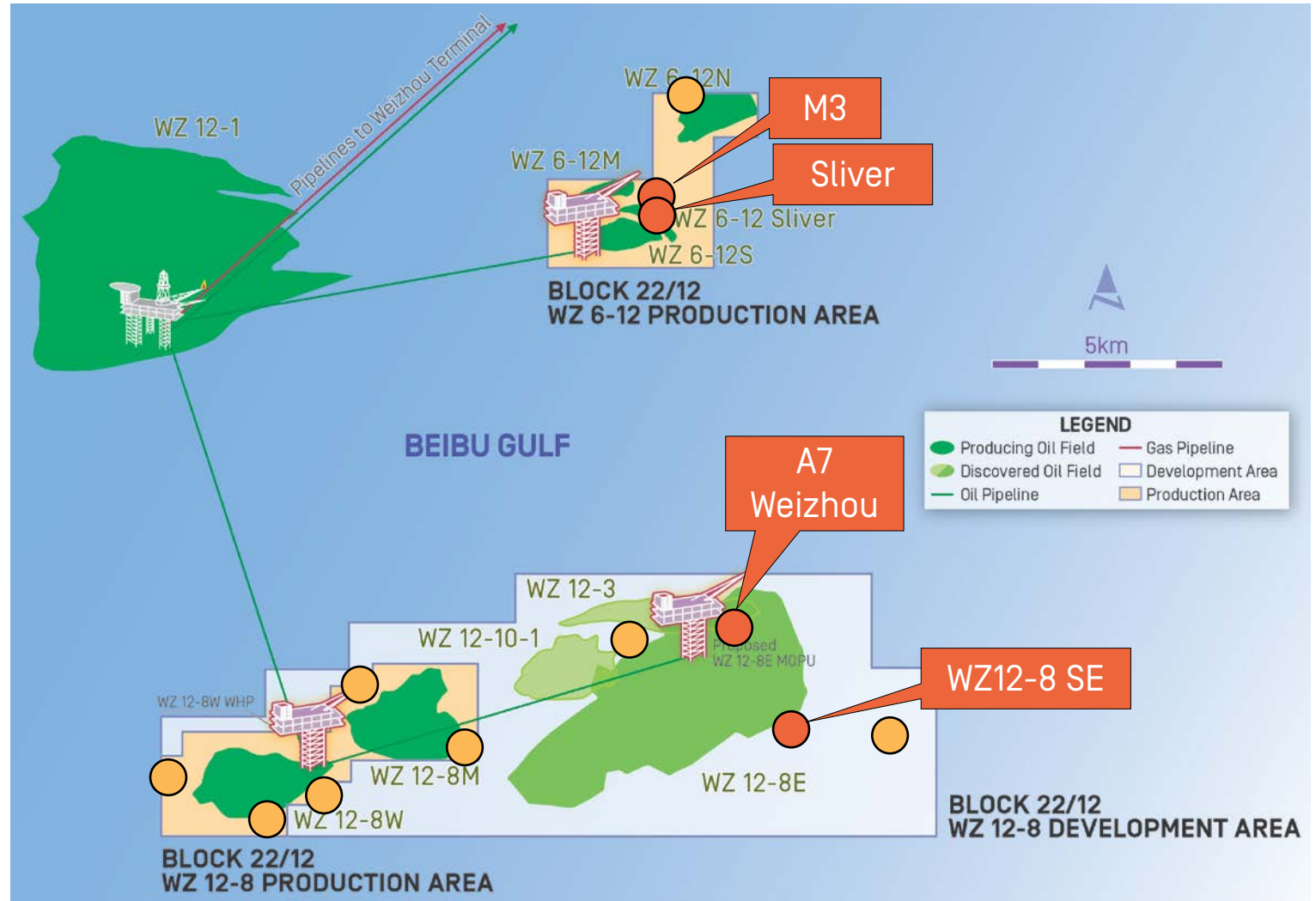


# CHINA: APPRAISAL & EXPLORATION OPPORTUNITIES

- The JV has a strong portfolio of infill, appraisal and near-field exploration opportunities, four of which are proposed for drilling in 2022\*
- Success in these opportunities will help to extend plateau production into the longer term

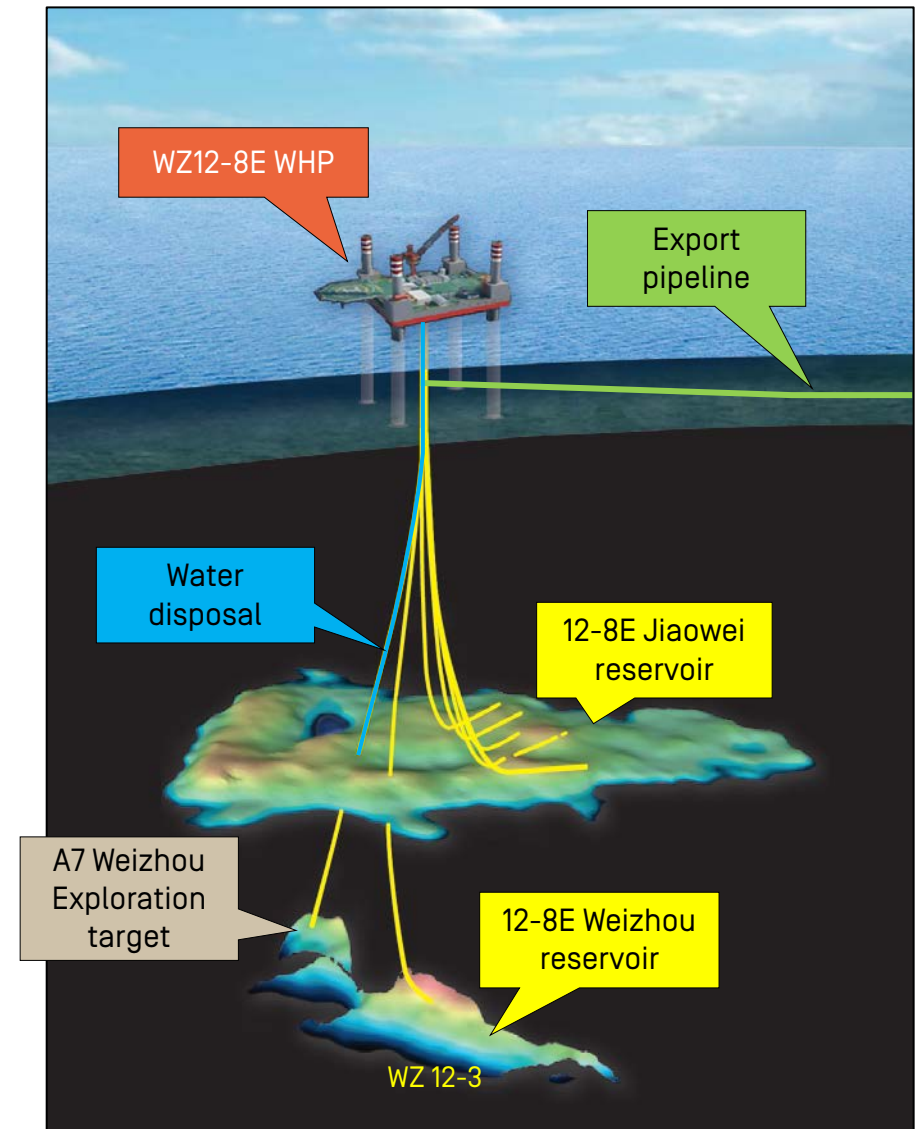
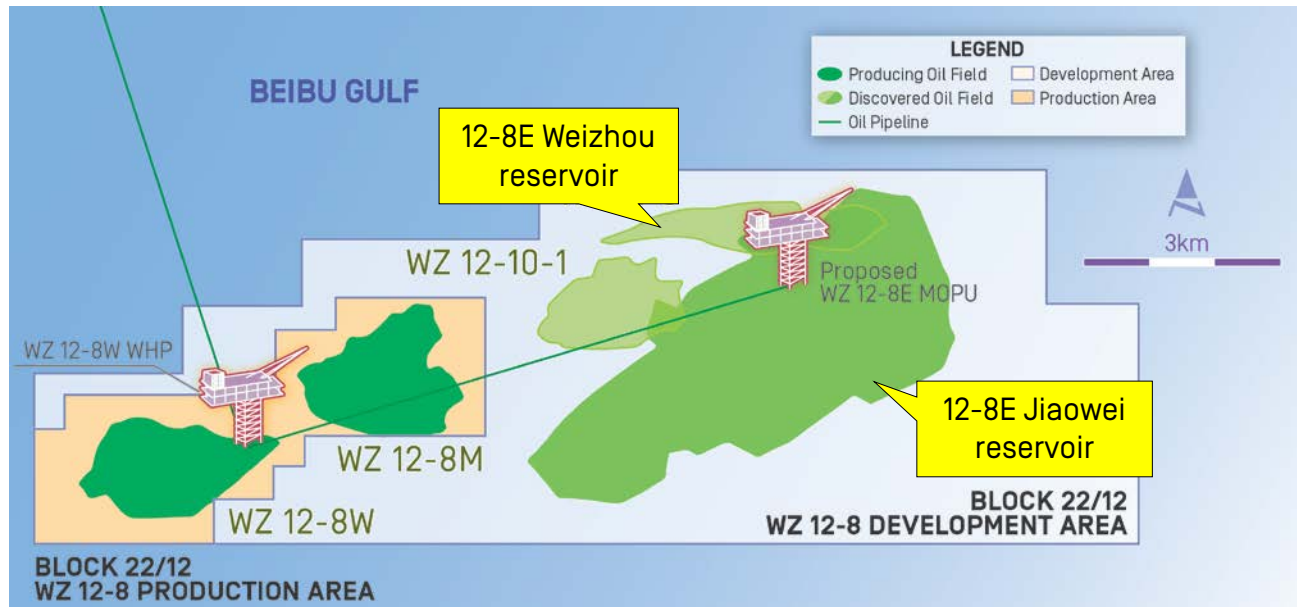


\* Wells subject to JV approval



# CHINA: WZ12-8E DEVELOPMENT PROJECT – SUMMARY

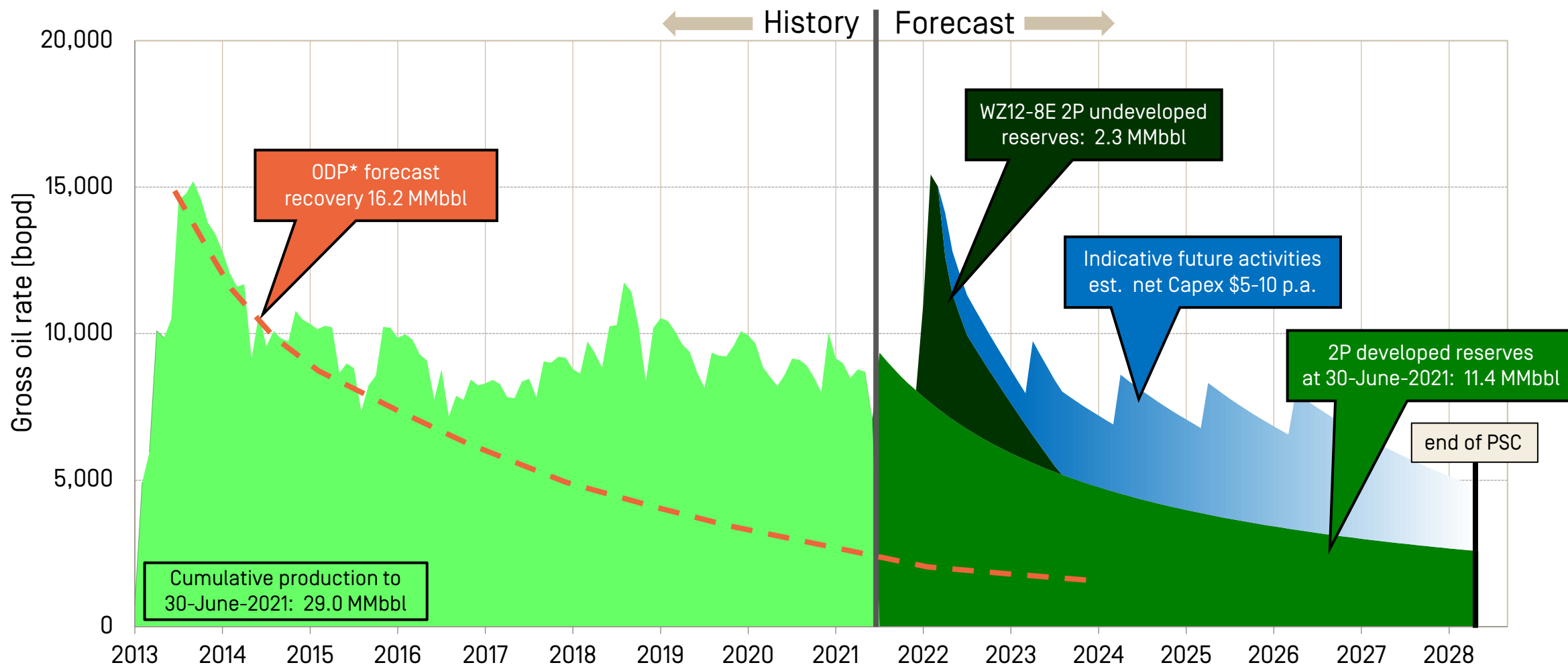
- Construction well advanced
- Horizon's share of total capital expenditure ~US\$20 million at current oil prices
- Development costs are phased through 2021 and 2022 and are to be funded from Horizon's existing cash reserves and field production revenue
- Oil production forecast to average ~4,000bopd in the first year
- HZN net 2P reserves estimate 0.6mmbbls [gross ~2.3 mmbbls]
- Success in this first phase may lead to future additional infill wells
- **Platform within tie-back distance of attractive appraisal and exploration targets**



**Self-installing WZ12-8E platform during construction**



# CHINA: HISTORY AND INDICATIVE FORECAST



\*ODP = Original Development Plan

Forecasts remain subject to JV and regulatory approvals

All data on this slide [production and recovery] is gross unless otherwise stated

- Production decline rate arrested through continued water injection and well optimisation
- Workovers of MR7 and MR9 in Q4 CY2020 successfully restored production, workover of MR8A recently completed and cleaning up
- MR6A workover completed however currently off-line pending installation of a de-sanding unit planned for Q1 CY2022
- Continue to optimise production and extend field life

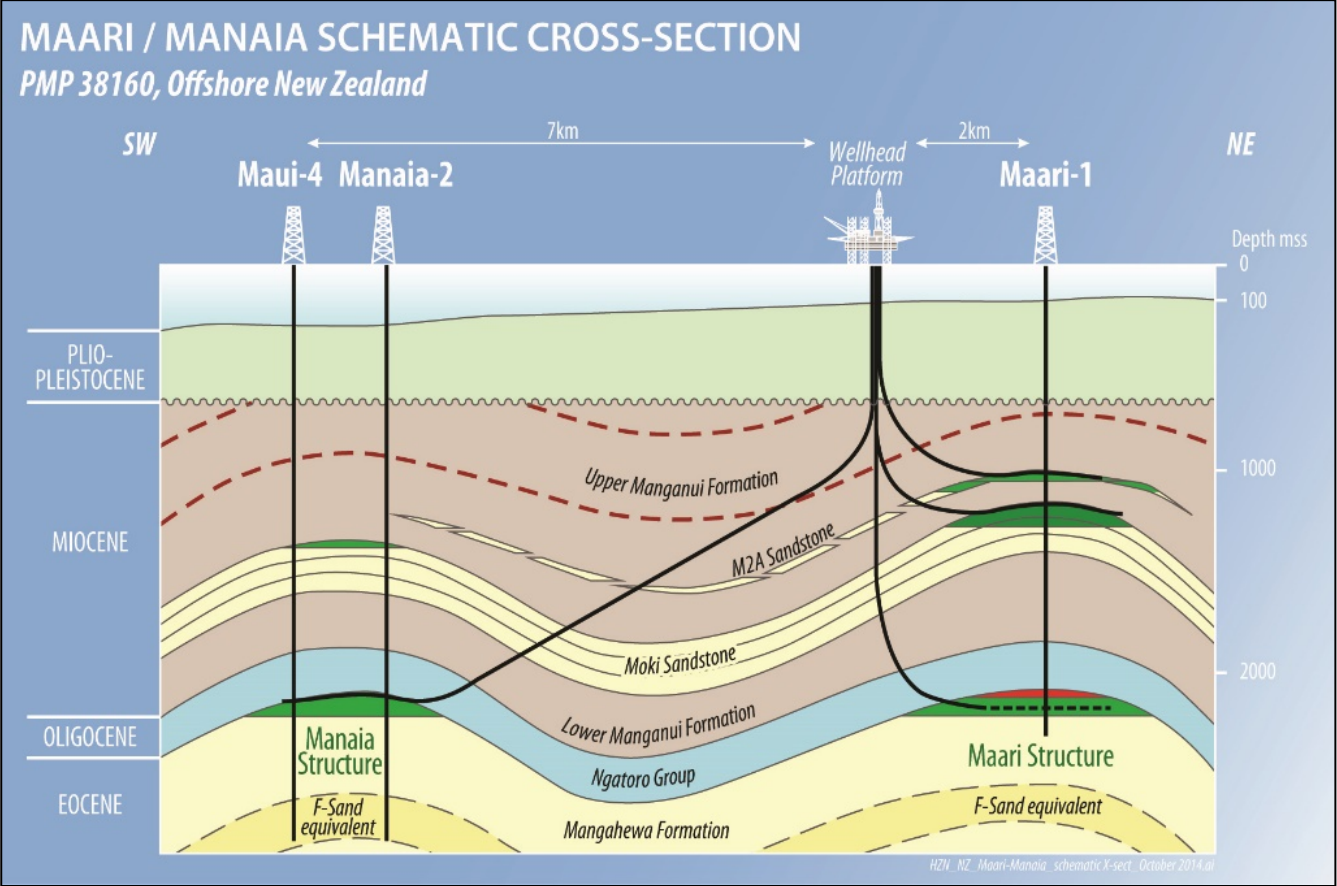
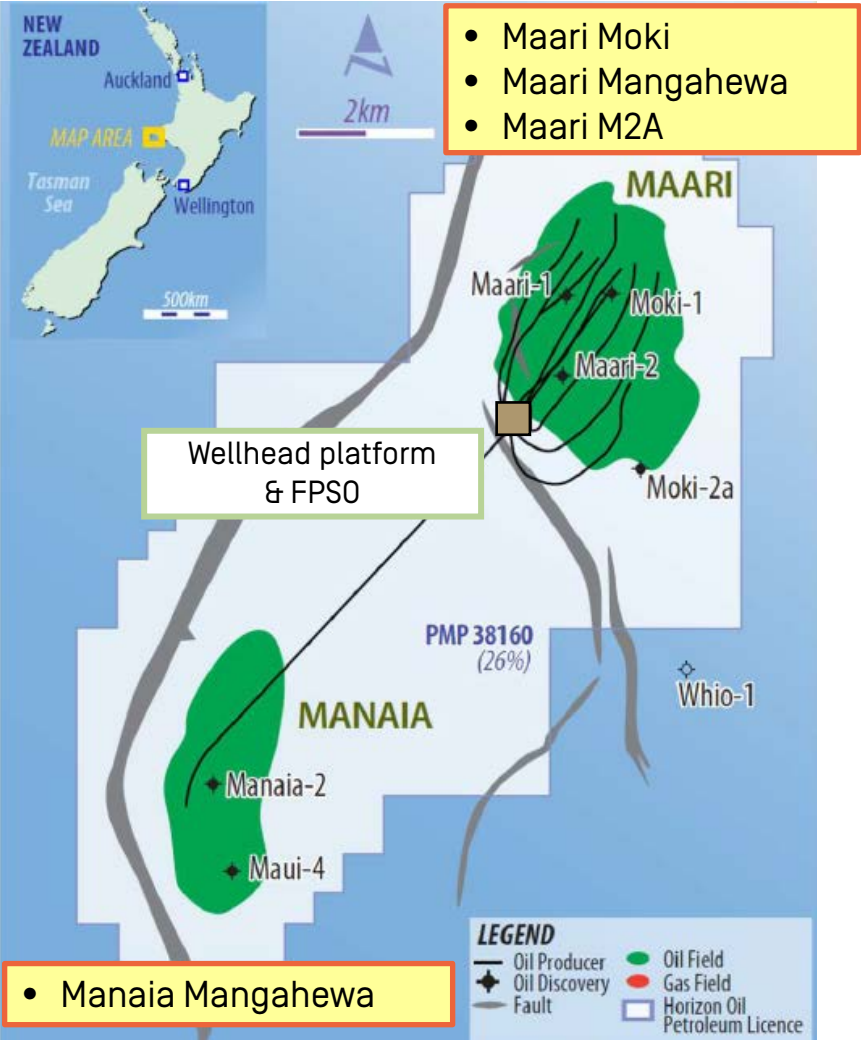
Maari/Manaia  
generates  
approximately 30% of  
Horizon cashflow

FY2021 production  
impacted by COVID led  
deferrals of workovers  
of three producing  
wells

Production licence and  
2P reserves forecast to  
end of 2027 with potential  
to extend

Cash operating costs  
reduced by 20% during  
FY2021 to less than  
US\$25/bbl

# MAARI / MANAIA SUMMARY MAP AND CROSS-SECTION



OMV sale to Jadestone delayed – but in the meantime, OMV continues to operate the field effectively

## Opportunities

- “There are significant near-term production-adds beyond the 2P reserves case” (Jadestone acquisition doc, Nov 2019)
- Additional laterals and behind pipe opportunities

## Jadestone

- Sale announcement November 2019
- Awaiting NZ Government approval
- Longstop date per the SPA extended to 31 December 2021

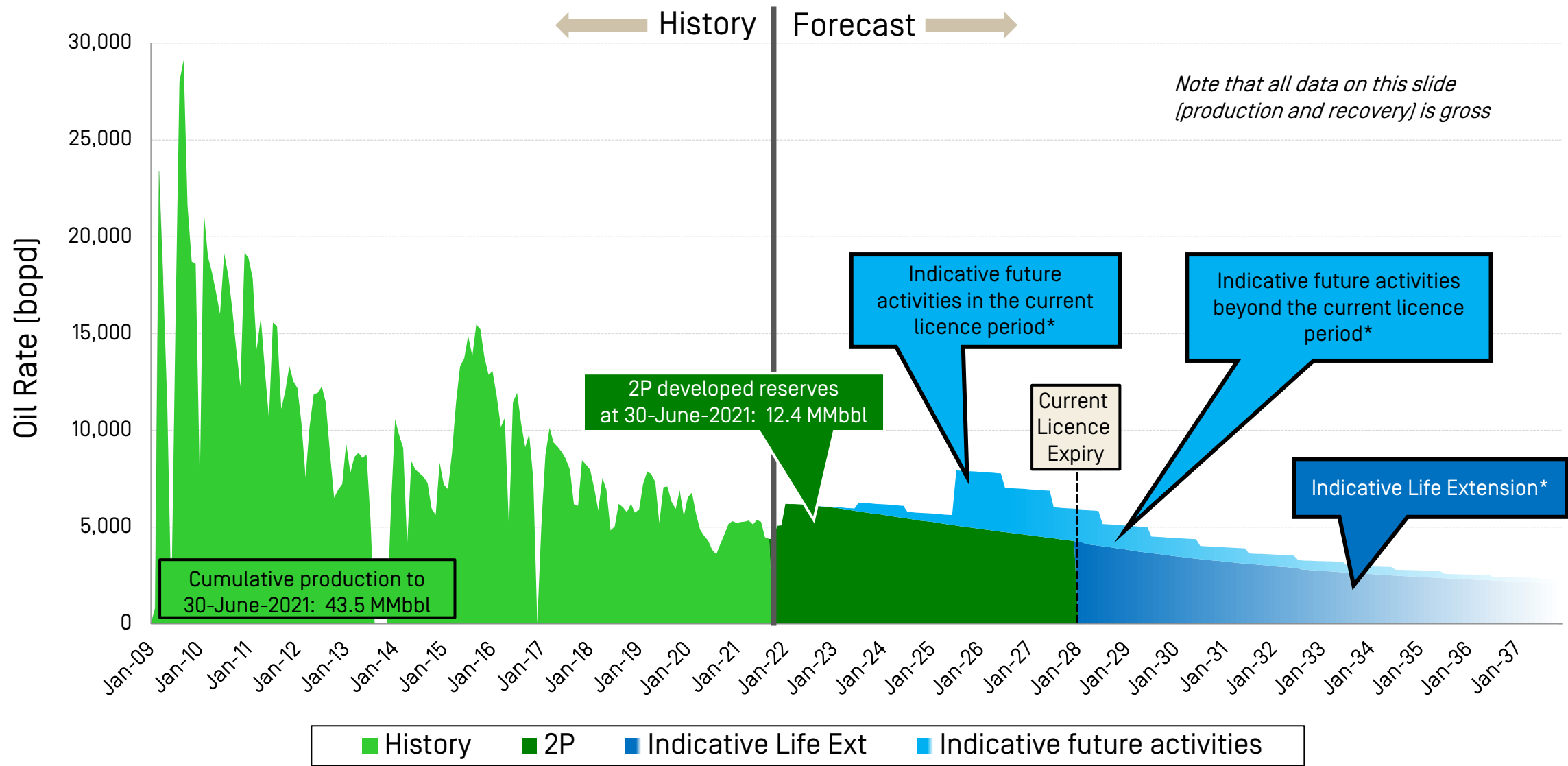
## Field Life Extension

- Work streams initiated to ensure that the facilities can produce safely to 2027 and beyond

## Decommissioning

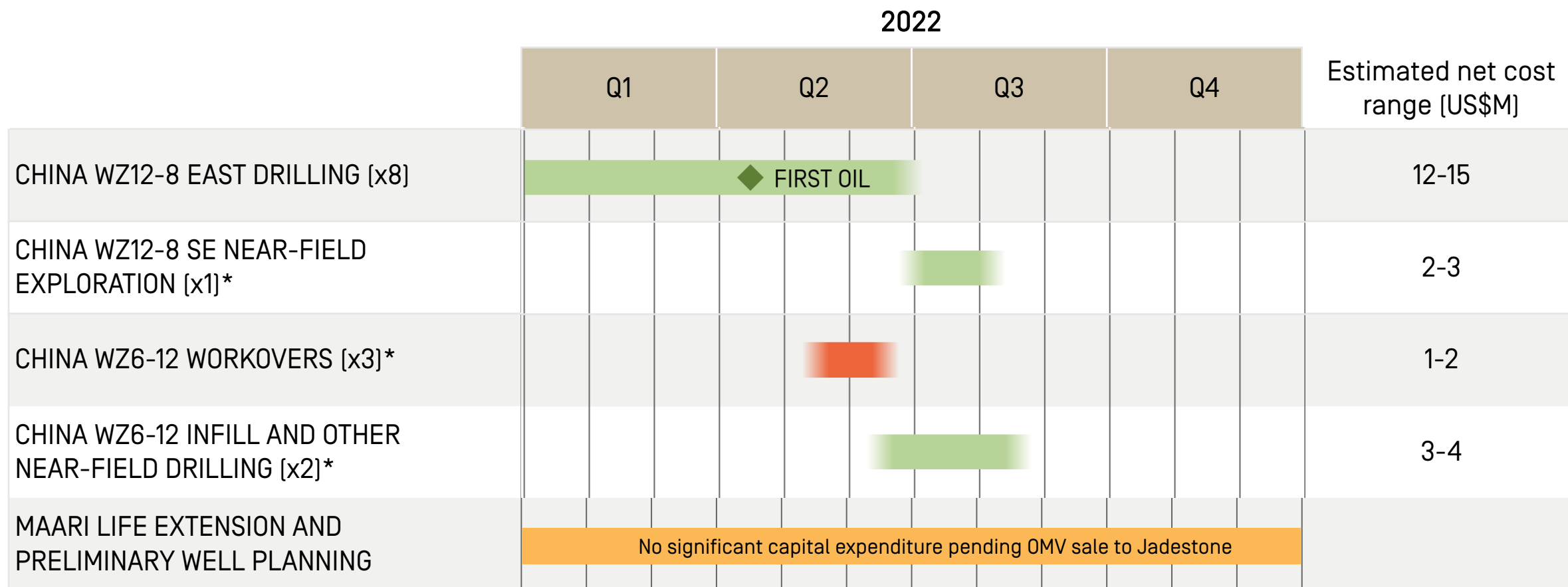
- NZ Government propose to strengthen the rules
- New legislation pending
- HZN provision currently US\$31 million with funds likely to be set aside from cashflow over the next 3 to 5 years

# MAARI HISTORY AND INDICATIVE FORECAST



\* Likely requires permit extension to be commercially viable

# 2022 OPERATIONS ACTIVITY\*



\* The above schedule is indicative only and remains subject to JV and regulatory approvals, and drilling rig availability

Capitalising on higher oil prices to maximise value

## China: Delivery of WZ12-8E project, safe and successful drilling operations

- The first 6 months of CY2022 is very busy. A successful outcome will be to increase production significantly by mid-year

## New Zealand: work with OMV, Jadestone and NZ Gov't to plan for the future

- Reinstate production from MR6A if technically possible
- Expect NZ decommissioning legislation to be finalized and the OMV sale to Jadestone to be completed

## Maintain ESG commitments, costs, shareholder value

- Pay down debt by July 2022
- Continue to reduce own costs
- Capital management options
- Keep abreast of new business opportunities
- Maintain a prudent hedging position\*

### **\*Current hedge position**

*160,000bbls to 31 Dec 2021 – mix of swaps and collars weighted av. floor price US\$69/bbl. Plus 30,000bbls hedged (swaps) for Jan 2022 at US\$81.95 to secure scheduled Maari lifting >110,000bbls (net to HZN)*

## **Maximise Free Cashflow\* Targeting US\$25-35 million FY22**

- WZ12-8E commencement, infill wells, production efficiencies, nearfield exploration
- Ongoing cost focus to minimise Horizon internal and JV costs

## **Further Distributions to Shareholders when prudent to do so**

- A\$49.4 million already distributed
- Potential for further capital management initiatives under constant review

## **Invest in New Business if exceptional**

- Strong investment metrics, low risk, ability to add scale and portfolio resilience
- With potential for continued capital management initiatives

*\* Free Cashflow represents cash flows from operating activities less investing cash flows*



FOR MORE INFORMATION  
PLEASE CONTACT US

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