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

HORIZON COMMENCES PRODUCTION FROM INFILL WELLS ON THE WZ6-12M AND WZ6-12N FIELDS, AND COMMENCES WZ12-8E PHASE 2 DRILLING PROGRAMME

Horizon is pleased to advise that the two planned infill wells in the WZ6-12 fields of Block 22/12, Beibu Gulf, People's Republic of China, have been successfully drilled and completed. The Strike drilling rig is now moving back to the WZ12-8E field to drill at least three additional development wells.

HIGHLIGHTS

- WZ6-12 drilling programme was completed with two infill wells, WZ6-12-A12S1 into the WZ6-12-M1 reservoir and WZ6-12-A10S1 into the WZ6-12N reservoir.
- On 24 October A10S1 was cleaning-up at 1,369 bopd gross [Horizon net 369 bopd] at 56% water-cut; while production from A12S1 is scheduled to come online shortly.
- Total Block 22/12 oil production on 24 October was 15,337 bopd gross [Horizon net 4,133 bopd] which is an increase of 851 bopd compared with 25 September [previous announcement] with increased production from A10S1 partially offset by natural decline in the remaining wells.
- Strike drilling rig is now moving back to the WZ12-8E field to drill at least three additional Phase 2 development wells, with the majority targeting the main Jiaowei reservoir that is currently being produced by five Phase 1 wells.

WZ6-12 infill wells

WZ6-12-A10S1 was drilled as a sidetrack of the now abandoned WZ6-12-A10 production well, targeting unswept oil in the central area of the WZ6-12 North field. A10S1 intersected the two main WZ6-12 North reservoirs and also intersected commercial oil in the T32U reservoir that was not expected and has not been previously produced. A10S1 was completed to produce from all three oil-filled reservoirs. A10S1 was completed with an Electric Submersible Pump and on 24 October was cleaning-up at 1,369 bopd gross [Horizon net 369 bopd] at 56% water-cut.

The WZ6-12-A12S1 well was drilled as a sidetrack of the M3 appraisal well that did not intersect commercial hydrocarbons. A12S1 is located in the east of the M1 field as a follow-up to the successful A3S2 development well that was drilled in 2021 and is designed to drain oil from three reservoirs. A12S1 was also completed with an Electric Submersible Pump and is scheduled to come online shortly.

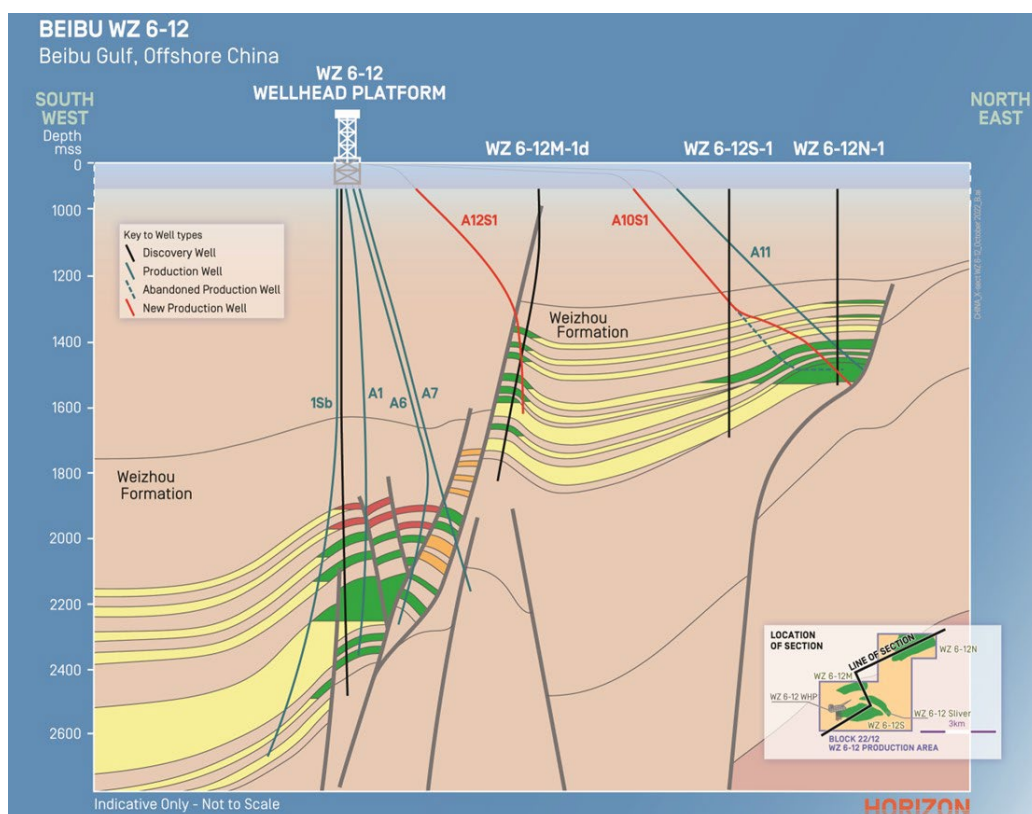


Figure 1 - Cross-section schematic of the WZ6-12 fields showing the A12S1 and A10S1 infill wells

WZ12-8 East – Phase 2 development wells

The Phase 2 programme will involve drilling at least three and possibly up to five additional wells from the WZ12-8E wellhead platform. The first wells in the programme will target the Jiaowei reservoir that is currently being produced by five Phase 1 wells. The latter wells in the programme are dependent on the results of the first wells.

Production from the Phase 1 wells, including one Weizhou reservoir well, was 5,753 bopd gross (Horizon net 1,550 bopd) on 24 October. This rate is included in the total Block 22/12 oil production mentioned in the highlights above. Phase 1 production has fallen (was 6,359 bopd gross on 25 September) as a consequence of expected decline associated with increasing water production.

As reported previously, indicative recovery from three Phase 2 wells would be 0.75 mmbbls gross (Horizon net 0.20 mmbbls) which will be reclassified from contingent resources to reserves in Horizon's next reserves update. Incremental capital costs for a three well programme is currently estimated to be approximately US\$7.5 million (net to Horizon), which is to be funded from cash on hand.

At the time of reporting, the Strike rig was moving back to the WZ12-8E field.

Horizon CEO, Richard Beament added:

"The success of the two WZ6-12 infill wells extends the history of incremental oil recovery while maintaining high oil production rates – both of which are hallmarks of Block 22/12 performance over the nine years since production started in 2013. We look forward to the WZ12-8E Phase 2 drilling programme continuing that success."

Block 22/12 participants:

CNOOC (Block 22/12 Operator)	51.00%
Horizon Oil (Beibu) Ltd.	26.95%
Roc Oil (WZ12-8E Operator)	19.60%
Oil Australia Pty Ltd.	2.45%
Total	100.00%

Further information in accordance with ASX Listing Rule 5.

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, Chief Operating Officer 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 the Heriot Watt University UK, and more than 25 years of relevant experience. Mr Douglas consents to the use of the petroleum reserves and resources estimates in the form and context in which they appear in this statement.

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