

FY24 REPORT COVER

The results for the financial year ended 30 June 2024 are set out in the attached results announcement, Preliminary Financial Report (Appendix 4E) and Annual Financial Report. All references to reserves and contingent resources within the financial report are drawn from the Horizon Oil 30 June 2024 Reserves and Resources Statement contained in the attached Annual Report.

HIGHLIGHTS

Final dividend announced

- Recognising the continued strong results for the financial year, the Company announces a final unfranked (conduit foreign income) dividend distribution of AUD 1.5 cents per share.
- Together with the interim dividend distribution of AUD 1.5 cents per share declared at the half year and paid in April 2024, the interim and final dividend distributions totalling AUD 3.0 cents per share represent a return to shareholders of approximately AUD 48 million for the year.

Continued strong cashflow generation

- Cashflow from operating activities for the financial year was US\$64.2 million (~A\$97 million) benefiting from the investment in production growth made in prior periods.
- Cash reserves increased by over 20% during the financial year to US\$52.6 million, after the payment of ~US\$37 million in distributions and the repayment of ~US\$8 million of debt during the financial year.
- Net cash at 30 June 2024 was US\$26.2 million, following the US\$26.4 million draw down on the new senior debt facility which was used to fully fund the initial completion payment associated with the Mereenie acquisition.
- EBITDAX for the financial year was US\$71.5 million.
- Horizon's net working interest share of production and sales volumes (excluding Horizon's economic entitlement to Mereenie pre-completion production of 2.6 PJs (~0.5 mmbbls) of gas and 0.05 mmbbls of oil back to the transaction effective date of 1 April 2023) was 1,426,687 boe and 1,301,155 boe, both within guidance. Production and sales volumes (excluding Mereenie pre-completion volumes) were lower than the prior year due substantially to the expected natural reservoir decline at Block 22/12 following the successful WZ12-8E development drilling during the prior year.
- Revenue for the financial year was within guidance at US\$111.5 million, despite the deferral of a Maari lifting from June to July 2024 which generated over US\$10 million in revenue.
- Profit before tax was US\$39.2 million with cash operating costs maintained below US\$25/bbl produced.
- Material reserves upgrade during the year, with 2P reserves at 30 June 2024 more than double the prior year following the Mereenie acquisition and transfers from Contingent Resources at Block 22/12.

Mereenie Acquisition

- Completed the acquisition of a 25% non-operated participating interest in the OL4 and OL5 development licences, Northern Territory, Australia, which contain the producing Mereenie conventional oil and gas field. Acquisition added 6.4 mmbbls of 2P reserves as at the transaction effective date of 1 April 2023, diversifying and expanding Horizon's production base.
- Upfront cash consideration of ~US\$27.6 million fully funded from a new 5-year debt facility from Macquarie Bank.
- Two well infill drilling program recently sanctioned by JV aiming to boost Mereenie production rates. Incremental production underpinned by recently signed 6-year strategic gas sales agreement with NT government.

Successful completion of Block 22/12 drilling programs, with progress towards Maari life extension

- Four-well infill drilling program successfully completed restoring Block 22/12 production back above the long-term field average of 10,000 bopd (gross). Further infill drilling planning underway for a potential CY25 program.
- Material progress made towards Maari life extension with FPSO class extension certificate obtained from certifying authority ABS, together with formal licence extension application well advanced

COMMENTING ON THE RESULT, HORIZON'S CHIEF EXECUTIVE OFFICER, RICHARD BEAMENT, STATED:

"Building on our recent achievements, Financial Year 2024 was transformative for the Company with the successful acquisition of Mereenie. This third production asset has diversified our production base, significantly increased the Group's reserves, and ensured a stable production future beyond our existing assets."

Whilst the Mereenie acquisition was the headline announcement during the year, our legacy assets of Block 22/12 and Maari continued to provide the reliable, high margin financial results to which we have grown accustomed with EBITDAX of US\$71.5 million. Once again, the Block 22/12 joint venture was able to successfully execute an infill drilling campaign which restored production back above the field long term average of 10,000 bopd (gross). The ability of the joint venture to efficiently convert contingent resources to developed reserves continues to unlock value for Horizon shareholders, and planning is underway for a potential CY25 infill drilling campaign. The prospect of licence extension at Maari out to the end of the decade and potentially beyond continues to look promising, with a formal licence extension application well advanced. If granted, an extension to the licence would add material value to the Company and provide a continued pathway for distributions."

[Recognising the strong results, we are delighted to announce a final distribution of AUD 1.5 cents per share for the 2024 financial year]. This is a continuation of our strategy, having consistently provided substantial distributions amounting to over AUD 170 million (AUD 11 cents per share) over the past 4 years whilst still investing in production growth. The quantum of the FY24 distribution was a reflection on the continued strong cashflow generation during the year, balancing cash reserves, future commitments and the overall Group strategy. Future distributions will continue to be dependent on, amongst other things, commodity prices, production and future commitments."

A financial summary and key financial and operational results are set out below excluding Mereenie pre-completion production and cashflows¹ [all figures are presented in United States dollars, unless otherwise stated]:

FINANCIAL SUMMARY

HORIZON 2024 FINANCIAL YEAR RESULT		30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000	CHANGE %
Oil and gas sales	boe	1,301,155 ¹	1,774,437	[27%]
Oil and gas production (net working interest)	boe	1,426,687 ¹	1,915,886	[26%]
Sales revenue		111,465	152,121	[27%]
EBITDAX ²		71,451	103,525	[31%]
Profit before tax		39,185	56,989	[31%]
Cash on hand		52,570	43,591	21%
Cashflow from operating activities		64,217	71,960	[11%]
Senior debt facility ³		26,404	7,939	>100%
Net Cash³		26,166	35,652	[27%]

Note 1: Mereenie values are reported from the date of completion of the acquisition at 11 June 2024, noting that the Company had an economic entitlement to production from the effective date of the transaction of 1 April 2023. Horizon's net economic interest in Mereenie production from the effective date to the completion date totalled 2.6 PJs of gas and 0.05 mmbbls of oil.

Note 2 EBITDAX is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for interest expense, taxation expense, depreciation, amortisation and exploration expenditure (including non-cash impairments). The directors consider EBITDAX to be a useful measure of performance as it is widely used by the oil and gas industry. EBITDAX information has not been audited, however it has been extracted from the audited financial reports for the periods ended 30 June 2024 and 30 June 2023.

Note 3: Represents principal amounts drawn down.

The Group's CEO, Richard Beament, and CFO, Kyle Keen will host a webcast on 28 August 2024 at 11.00am (Sydney time) to discuss the Group's operations and financial results for the Financial Year.

To register, please copy and paste the link below into your browser <https://ccmediaframe.com/?id=iGftm1Ba>.

Authorisation

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

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 [ASX:HZN]

ABN 51 009 799 455

This Preliminary Final Report is provided to ASX Limited ('ASX') under ASX Listing Rule 4.3A.

This information should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024.

Current reporting period: Financial year ended 30 June 2024

Previous corresponding period: Financial year ended 30 June 2023

Results for announcement to the market

		PERCENTAGE CHANGE		AMOUNT US\$'000
Revenue from continuing operations	down	26.7%	to	111,465
Profit from ordinary activities after tax	down	69.3%	to	25,900
Profit for the period attributable to members	down	69.3%	to	25,900
Cashflow from operating activities	down	10.8%	to	64,217

Dividends/distributions

	AMOUNT PER SECURITY AUD CENTS	FRANKED AMOUNT PER SECURITY
Interim dividend [Paid 26 April 2024]	1.5	Nil
Final dividend	1.5	Nil

Horizon Oil Limited announced on 28 August 2024 that it had declared a final unfranked (conduit foreign income) dividend distribution of AUD 1.5 cents per Ordinary share. Payment of the final dividend will be on 25 October 2024 with an ex-dividend date of 16 October 2024.

Net Tangible Assets

	FY2024 US CENTS	FY2023 US CENTS
Net tangible asset backing per ordinary share	5.1	5.9

Controlled entities acquired or disposed of

During the financial year, the Group established a wholly owned subsidiary (Horizon Australia Energy Pty Ltd) to hold the acquired 25% non-operating participating interest in the OL4 and OL5 development licenses, Northern Territory, Australia which contain the producing Mereenie conventional oil and gas field.

Other than the abovementioned entities established, no controlled entities were acquired or disposed of during the current or the prior reporting period.

Notes:

Reports are based on audited consolidated financial statements.

All figures are presented in United States dollars, unless otherwise stated.

Authorisation

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

HORIZON

ACN 51 009 799 455

2024

ANNUAL REPORT

horizonoil.com.au

FY2024 INVESTMENT HIGHLIGHTS

Financial Year 2024 was transformative for the Company with the successful acquisition of Mereenie. This third production asset has diversified our production base, significantly increased the Group's reserves, and provides a production base beyond the expiry of existing licences.

- ▶ FY24 Total Shareholder Return [TSR] of 54% adding approximately AUD 120 million of shareholder value
- ▶ Successful completion of Block 22/12 drilling programs, with progress towards Maari life extension
- ▶ Completed the acquisition of a 25% non-operated participating interest in the OL4 and OL5 development licences, Northern Territory, Australia, which contain the producing Mereenie conventional oil and gas field
- ▶ Recognising the continued strong results for the financial year, the Company announces a final unfranked [conduit foreign income] dividend of AUD 1.5 cents per share. Together with the interim dividend of AUD 1.5 cents per share paid in April 2024, the interim and final dividend distributions total AUD 3.0 cents per share.

STATUTORY PROFIT BEFORE TAX



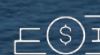
US\$39.2m

FINAL FY24 DIVIDEND



AUD 1.5¹ cps
[~US\$16M]

SALES REVENUE



US\$111.5m

NET CASH



US\$26.2m

SALES VOLUME



1,301,155boe

EBITDAX



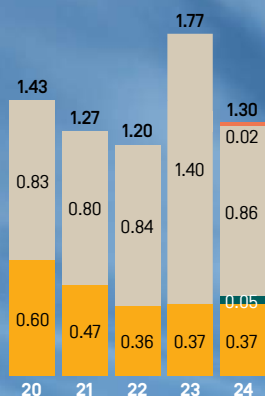
US\$71.5m

¹ Final dividend to be paid following the interim dividend of AUD 1.5 cents per share paid in April 2024

Oil & gas sales

[MMboe]

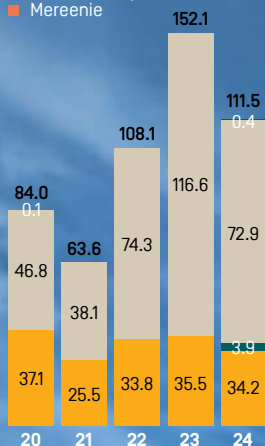
Maari
Beibu
Cost recovery entitlement
Mereenie



Revenue¹

[US\$m]

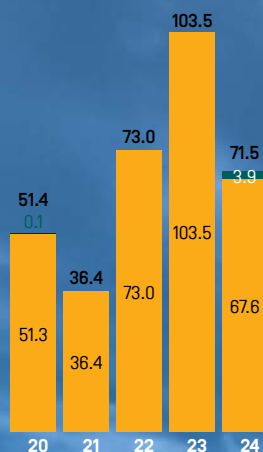
Maari
Beibu
Cost recovery entitlement
Mereenie



EBITDAX²

[US\$m]

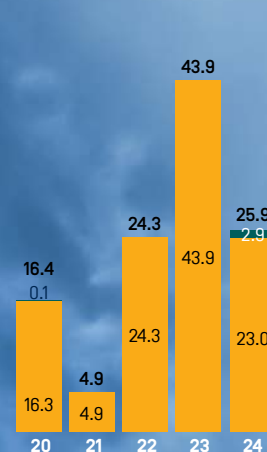
[Excl. cost recovery]
Cost recovery



Statutory profit after tax²

[US\$m]

[Excl. cost recovery]
Cost recovery



¹ Net of hedge settlements

² FY20 and FY21 excludes profit and loss from discontinued operations

AREAS OF OPERATION

CHINA

Block 22/12
Production 26.95%

AUSTRALIA

OL4/OL5
Production 25%

NEW ZEALAND

PMP 38160 [Maari/Manaia]
Production 26%

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A MESSAGE FROM OUR CHAIRMAN

2024 saw the continuation of the strong cash generation and dividend declarations that have become a consistent theme for Horizon. For the 4th consecutive year, the Company has been able to return at least AUD 3.0 cents per share to shareholders, with the final FY24 dividend announced of AUD 1.5 cents per share, which followed the earlier interim dividend paid of AUD 1.5 cents per share.

It is with mixed emotions that I recently announced my intended retirement from the Horizon Board at the upcoming AGM. Horizon is a Company I have grown very fond of, having taken on the role at a time when the Company was deeply indebted and facing strategic headwinds which had eroded shareholder value.

Over my 6 years as Chairman, we significantly reduced the level of gearing and streamlined the business to become a lean, highly cash generative oil and gas company paying substantial distributions which now amount to over AUD 170 million. Having recently completed the acquisition of a third producing asset, and with a well-established management team with Richard at the helm, I feel that now is the right time for me to retire from the Board. I am delighted that Bruce Clement, having been a non-executive director for 4 years, will succeed me as Chairman as he brings a wealth of knowledge and experience to the role.

In consideration of my impending retirement, the Company's transition into a domestic gas producer, and with a well-established management team, the Board considers that now is an appropriate time for a Board refresh.

With my planned retirement from the Board at the conclusion of the 2024 AGM, Bruce Clement has agreed to assume the role of Chair from the conclusion of the AGM. With nearly 4 years of experience on the Horizon Board, and with over 40 years' oil and gas

experience including leading ASX listed oil and gas companies, Beach Energy Limited, AWE Limited and Roc Oil Limited, Bruce is well qualified to lead Horizon into the future.

Following a thorough search focused on identifying a technically strong Board member to replace me as a nonexecutive director, the Board has identified ex-Transfield CEO/MD, Dr Peter Goode. Dr Goode brings over 40 years' experience in engineering, and oilfield services, and is currently Chairman and co-founder of the leading US Onshore completions provider, GR Energy Services. It is intended that Dr Goode be appointed to the Board effective 1 September 2024, and in accordance with ASX listing rules he will stand for election by shareholders at the 2024 AGM.

As also recently announced, non-executive director Sandra Birkenleigh plans to retire from the Board in 2025 after over 8 years of service. I would like to thank Sandra for her time and contribution to the Board, particularly as audit committee Chair. Whilst Sandra will seek re-election at the upcoming AGM, she will assist in finding a replacement for her during her next term.

Finally, I would like to say thank you for having me as Chairman and I wish all those associated with Horizon all the best for the future.



Mike Harding
Chairman

A MESSAGE FROM OUR CEO

Building on the success we've had in recent years, Financial Year 2024 was a pivotal year for the Company following the successful completion of the Mereenie acquisition. In adding a third production asset to the portfolio, we have diversified the production base, materially added to the Group's reserves, and added an asset which can provide a production base beyond the expiry of our existing assets. The subsequent signing of a long-term strategic gas supply agreement with the NT government so soon after completing the acquisition was a tremendous outcome and underscores the strategic merit of the acquisition and Mereenie's importance to domestic gas supply.

Whilst the Mereenie acquisition was the headline announcement during the year, our legacy assets of Block 22/12 and Maari continued to provide the reliable, high margin financial horsepower to which we have grown accustomed. Once again, the Block 22/12 joint venture was able to successfully execute an infill drilling campaign which restored production back above the field long term average of 10,000 bopd [gross]. The ability of the joint venture to efficiently convert contingent resources to developed reserves continues to unlock value for Horizon shareholders, and planning is underway for a potential CY25 infill drilling campaign. The infill wells executed at the WZ12-8E field during the year have increased the production base from this field providing further confidence that WZ12-8E production will extend out further to towards the end of the decade. This led to a material reserves upgrade at Block 22/12. Maari also made a material financial contribution during the year with an 18% increase in production combined with strong premiums achieved on Maari sales adding

meaningful additional free cashflow. The prospect of licence extension at Maari out to the end of the decade and potentially beyond continues to look promising, with a key milestone achieved during the year with critical infrastructure recertified for a further 5 years. In addition, a licence extension application is nearing completion with regulatory lodgement expected shortly. If granted, an extension to the licence would add material value to the Company and provide a continued pathway for distributions.

Financially, the Company remains in a position of strength with net cash of over US\$26 million, following both the Mereenie acquisition and the dividend payments totalling approximately US\$37 million. Cash generation from our assets remains exceptional allowing the continuation of the Company's strategy to prioritise distributions to shareholders. In addition to the AUD 1.5 cent per share interim dividend paid in April 2024, we have approved a further AUD 1.5 cent per share final dividend to be paid in October 2024. These distributions combined represent over a 15% dividend yield for the year. With approximately AUD 170 million returned to shareholders over the past 3 to 4 years and with a further AUD 24 million to be returned over the coming months, we have continued to sustain a top tier dividend yield which has become a hallmark of Horizon's success and stood us apart from many of our peers. Given our continued robust cashflow generation, our desire is for distributions to continue to be a recurring feature in the years ahead.

On the ESG front, safety continued to remain a priority at all our assets, with the Group Total Reportable Injury Frequency Rate and Lost Time Injury Frequency Rate both well below the NOPSEMA industry average. This is a testament to the quality and diligence of the operators of our assets – CN00C, OMV and Central Petroleum.

Specifically on climate change, we were pleased to see material progress being made during the year at our Flinders Biochar Project through our investment in Re-Vi (formerly known as Nobrac).

A key milestone was the production of the first biochar during the year, with certification of the Carbon Removal Credits underway. We also see our investment into domestic gas as an integral part of supporting the energy transition, with Mereenie signing a strategic gas sales agreement with rare earth miner, Arafura Rare Earth's Limited. Gas from Mereenie will allow Arafura to process critical rare earth minerals which are essential for the production of magnets used for motors in wind turbines and EVs. The Federal Government support to Arafura demonstrates the strategic importance of their Nolans Project which will initially rely on gas being supplied from the Mereenie field.

Regarding Mike's recently announced retirement and the upcoming Board changes, I would like to extend our gratitude, on behalf of the Board and the entire Horizon team, for his exceptional contributions and support over the past six years. Throughout this time, Mike collaborated with the Board and shareholders to navigate numerous challenges, ultimately guiding the company to realign its strategy. Today, thanks to his leadership, Horizon stands out as a leading player in the junior energy sector. I also look forward to welcoming Peter Goode to the Board and want to extend my gratitude to Sandra Birkenleigh for her 8 years of invaluable service to the Company.

Over the year, our team has put in an enormous effort to accomplish our strategic goals. I consider myself very lucky to have the support of such a talented team of professionals. I thank each of them for their dedication and hard work, and congratulate them for the results we've been able to achieve.

Looking to the future, we remain steadfast in our strategy:

- We aim to continue to maximise free cashflow from our current high quality assets;
- We are focussed on making further distributions to shareholders; and
- We will continue to invest in organic production growth initiatives in Block 22/12, Maari and Mereenie, whilst keeping an eye out for exceptional new business opportunities – our focus is on bringing into production our pipeline of contingent and prospective resources.

Despite the ongoing challenges faced by our business and sector, our capable team have the skills and expertise to navigate the obstacles and continue to create value for shareholders.



Richard Beament
Chief Executive Officer

HORIZON OIL LIMITED

2024 RESERVES AND RESOURCES STATEMENT

AS AT 30 JUNE 2024

2024 HIGHLIGHTS

- Horizon booked net 2P gas Reserves of 32 PJ [5.5 MMboe] following the acquisition of a 25% interest in the Mereenie producing oil and gas field with an effective date of 1 April 2023. The acquisition is expected to meaningfully increase net operating cash flow over the next 5+ years and provide a production base beyond the expiry of our existing assets.
- Horizon net Proved + Probable (2P) Reserves doubled from 4.9 MMboe [all crude] at 30 June 2023 to 9.9 MMboe [44% crude and condensate] at 30 June 2024 as a consequence of the Mereenie acquisition and transfers from Contingent Resources to Reserves offset in part by production.
- A very strong year of production including a material contribution from the new Mereenie project with Horizon's total net economic interest share of production of 1.9 MMboe compared with 1.8 MMboe last year. China and New Zealand contributed a total of 1.4 MMbbl of oil production while Mereenie contributed 2.7 PJ sales gas [0.5 MMboe] for the 15 month period from the 1 April 2023 effective date.
- Horizon net 2P crude and condensate Reserves declined by 0.5 MMbbl from 4.9 to 4.4 MMbbl with production of 1.4 MMbbl offset in particular by transfers from Contingent Resources to Reserves in China (+0.6 MMbbl) and the addition of 0.3 MMbbl associated with the Mereenie acquisition. The China contribution is a continuation of the Beibu joint venture strategy of actively working to bring new projects into production including four new wells drill in 2024.
- 2C Contingent Resources increased from 6.9 MMboe to 13.3 MMboe primarily due to 45.6 PJ [7.8 MMboe] of gas associated with the Stairway and Pacoota reservoirs in the Mereenie asset. China Contingent Resources also remain strong at 2.6 MMbbl with up to eleven possible future projects, mostly infill wells.

RESERVES AND CONTINGENT RESOURCES (HORIZON SHARE AT 30 JUNE 2024)

		2024	2023	% Change
1P - Proved Reserves	MMboe	6.0	2.8	113%
2P - Proved and Probable Reserves	MMboe	9.9	4.9	101%
2C - Contingent Resource	MMboe	13.3	6.9	93%

RESERVES AND CONTINGENT RESOURCES BY PRODUCT (HORIZON SHARE AT 30 JUNE 2024)

	GAS PJ	CRUDE AND CONDENSATE MMBBL	TOTAL MMBOE
1P - Proved Reserves	20.4	2.5	6.0
2P - Proved and Probable Reserves	32.0	4.4	9.9
2C - Contingent Resource	45.6	5.5	13.3

2024 RESERVES AND RESOURCES STATEMENT

PROVED (1P) AND PROVED + PROBABLE (2P) RESERVES

1P - PROVED RESERVES (HORIZON NET)					
ALL PRODUCTS MMboe					
	GAS PJ	CRUDE & CONDENSATE MMbbl	DEVELOPED	UNDEVELOPED	TOTAL
China Block 22/12: Beibu	0.0	1.4	1.4	0.0	1.4
New Zealand PMP 38160: Maari; Manaia	0.0	0.9	0.9	0.0	0.9
Australia OL4&OL5: Mereenie	20.4	0.2	3.8	0.0	3.8
Closing Balance 30 June 2024 [arith sum]	20.4	2.5	6.0	0.0	6.0

2P - PROVED PLUS PROBABLE RESERVES (HORIZON NET)					
ALL PRODUCTS MMboe					
	GAS PJ	CRUDE & CONDENSATE MMbbl	DEVELOPED	UNDEVELOPED	TOTAL
China Block 22/12: Beibu	0.0	2.6	2.6	0.0	2.6
New Zealand PMP 38160: Maari; Manaia	0.0	1.5	1.5	0.0	1.5
Australia OL4&OL5: Mereenie	32.0	0.3	5.8	0.0	5.8
Closing Balance 30 June 2024 [arith sum]	32.0	4.4	9.9	0.0	9.9

RESERVES RECONCILIATION

	30 JUNE 2023	PRODUCTION ¹	REVISIONS	TRANSFERS, EXTENSIONS & DISCOVERIES	ACQUISITIONS ¹ , DIVESTMENTS & RELINQUISHMENTS	30 JUNE 2024
1P - PROVED RESERVES RECONCILIATION (HORIZON NET)						
Crude and Condensate [MMboe]	2.8	-1.4	0.5	0.3	0.3	2.5
Sales Gas [PJ]	0.0	-2.7	0.0	0.0	23.1	20.4
Total 1P MMboe	2.8	-1.9	0.5	0.3	4.3	6.0
2P - PROVED AND PROBABLE RESERVES RECONCILIATION (HORIZON NET)						
Crude and Condensate [MMboe]	4.9	-1.4	-0.1	0.6	0.4	4.4
Sales Gas [PJ]	0.0	-2.7	0.0	0.0	34.7	32.0
Total 1P MMboe	4.9	-1.9	-0.1	0.6	6.3	9.9

1. Acquisition volumes are from Mereenie as at the effective date of 1 April 2023 of the transaction. Production volumes includes 0.6PJ and 0.03 MMbbl from 1 April 2023 to 30 June 2023 from Mereenie as reported in 11 June 2024 ASX announcement.

* All volumes quoted in text and table are Horizon net. Refer also note 12.

2C - CONTINGENT RESOURCES

2C - CONTINGENT RESOURCES (HORIZON NET)

	GAS PJ	CRUDE & CONDENSATE MMbbl	TOTAL EQUIVALENT MMboe
China Block 22/12: Beibu	0.0	2.6	2.6
New Zealand PMP 38160: Maari; Manaia	0.0	2.8	2.8
Australia OL4&OL5: Mereenie	45.6	0.1	7.9
Closing Balance 30 June 2024 [arithmetic sum]	45.6	5.5	13.3

2C - CONTINGENT RESOURCES RECONCILIATION

	30 JUNE 2023	REVISIONS	TRANSFERS, EXTENSIONS & DISCOVERIES	ACQUISITIONS, DIVESTMENTS & RELINQUISHMENTS	30 JUNE 2024
2C CONTINGENT RESOURCES (HORIZON NET)					
Crude and Condensate [MMboe]	6.9	-1.1	-0.4	0.1	5.5
Sales Gas [PJ]	0.0	0.0	0.0	45.6	45.6
Total MMboe	6.9	-1.1	-0.4	7.9	13.3

* All volumes quoted in text and table are Horizon net. Refer also to note 12.

2U - PROSPECTIVE RESOURCES

2U - PROSPECTIVE RESOURCES (HORIZON NET)

	GAS PJ	CRUDE & CONDENSATE MMbbl	TOTAL EQUIVALENT MMboe
China Block 22/12: Beibu	0.0	2.6	2.6
New Zealand PMP 38160: Maari; Manaia	0.0	0.0	0.0
Australia OL4&OL5: Mereenie	0.0	0.0	0.0
Closing Balance 30 June 2024 [arithmetic sum]	0.0	2.6	2.6

2U - PROSPECTIVE RESOURCES RECONCILIATION

	30 JUNE 2023	REVISIONS	TRANSFERS, DISCOVERIES & EXTENSIONS	ACQUISITIONS / DIVESTMENTS	30 JUNE 2024
Crude and Condensate [MMboe]	2.6				2.6
Sales Gas [PJ]	0				0
Total MMboe	2.6				2.6

Cautionary statement: Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. The estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of hydrocarbons. The 2U Prospective Resources in the above table are unrisks volumes.

* All volumes quoted in text and table are Horizon net. Refer also to note 12.

2024 RESERVES AND RESOURCES STATEMENT

PERMITS, LICENCES AND INTERESTS HELD

PERMIT OR LICENSE	OPERATOR	MATERIAL PROJECTS	NET WORKING INTEREST [%]	
			30 JUNE 2024	30 JUNE 2023
China Block 22/12	CNOOC	WZ6-12S,M,N; WZ12-8W,M,E	26.95%	26.95%
New Zealand PMP 38160	OMV	Maari, Manaia	26.00%	26.00%
Australia OL4 and OL5	Central Petroleum	Mereenie	25.00%	0.00%



Notes

- 1** All estimates are prepared in accordance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS) revised 2018.
- 2** Relevant terms used in this statement, capitalised or otherwise, have the same meaning given to those terms in the SPE PRMS.
- 3** Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
- 4** Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
- 5** Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. See also above Cautionary Statement.
- 6** Contingent and Prospective Resource estimates quoted for China have assumed China National Offshore Oil Corporation ('CNOOC') participation at 51%. CNOOC is entitled to participate at up to a 51% equity level in any commercial development within Block 22/12. Prospective Resources also only include Horizon's on block share.
- 7** Liquids are equal to the total of oil, condensate and natural gas liquids where 1 barrel of condensate or natural gas liquids equals 1 barrel of oil. Gas reserves have been converted to oil equivalent using 5.816PJ equals one million barrels of oil equivalent.
- 8** Raw Gas is natural gas as it is produced from the reservoir which may include varying amounts of heavier hydrocarbons which liquefy at atmospheric conditions, water vapor and other non-hydrocarbon gases such as hydrogen sulphide, carbon dioxide, nitrogen or helium.
- 9** Sales Gas represents volumes that are likely to be present a saleable product. Sales Gas are reported assuming average values for fuel, flare and shrinkage considering the variable reservoir fluid properties of each constituent field on an energy basis the customary unit is PJ. PJ means petajoules and is equal to 1015 joules.
- 10** For Reserves and Contingent Resources, depending on the asset, either deterministic estimates or probabilistic estimates have been used. For Prospective Resources, all estimates are probabilistic estimates.
- 11** Reported estimates of petroleum Reserves, Contingent Resources and Prospective Resources have been aggregated by arithmetic summation by category. 1P Reserves reported beyond the field, property or project level aggregated by arithmetic summation may be a very conservative estimate due to the portfolio effects of arithmetic summation.
- 12** Estimates are reported according to Horizon Oil's net economic interest, this being Horizon Oil's net working interest adjusted for entitlements (Economic Interest adjustment) under production-sharing contracts and risked-service contracts; and are reported net of royalties and lease fuel up to the reference point. Reference points for Horizon's petroleum Reserves and Contingent Resources and production are defined points where normal operations cease, and petroleum products are measured under defined conditions prior to custody transfer. For China, Horizon's net economic interest ranges from 24.32% to 26.95%. For New Zealand and Australia, Horizon's net economic interest is equal to Horizon's net working interest of 26.00% and 25.00% respectively.
- 13** Horizon Oil employs a Reserves Management System to ensure the veracity of data used in the estimation process. This process includes review by senior staff where data is endorsed for inclusion in the estimating process. Estimates are reviewed annually, at a minimum, with interim reviews as required, to respond to any material changes. Horizon Oil undertakes semi-regular external reviews to complement its own internal process.
- 14** 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 Masters 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.
- 15** Some totals in the tables may not add due to rounding.

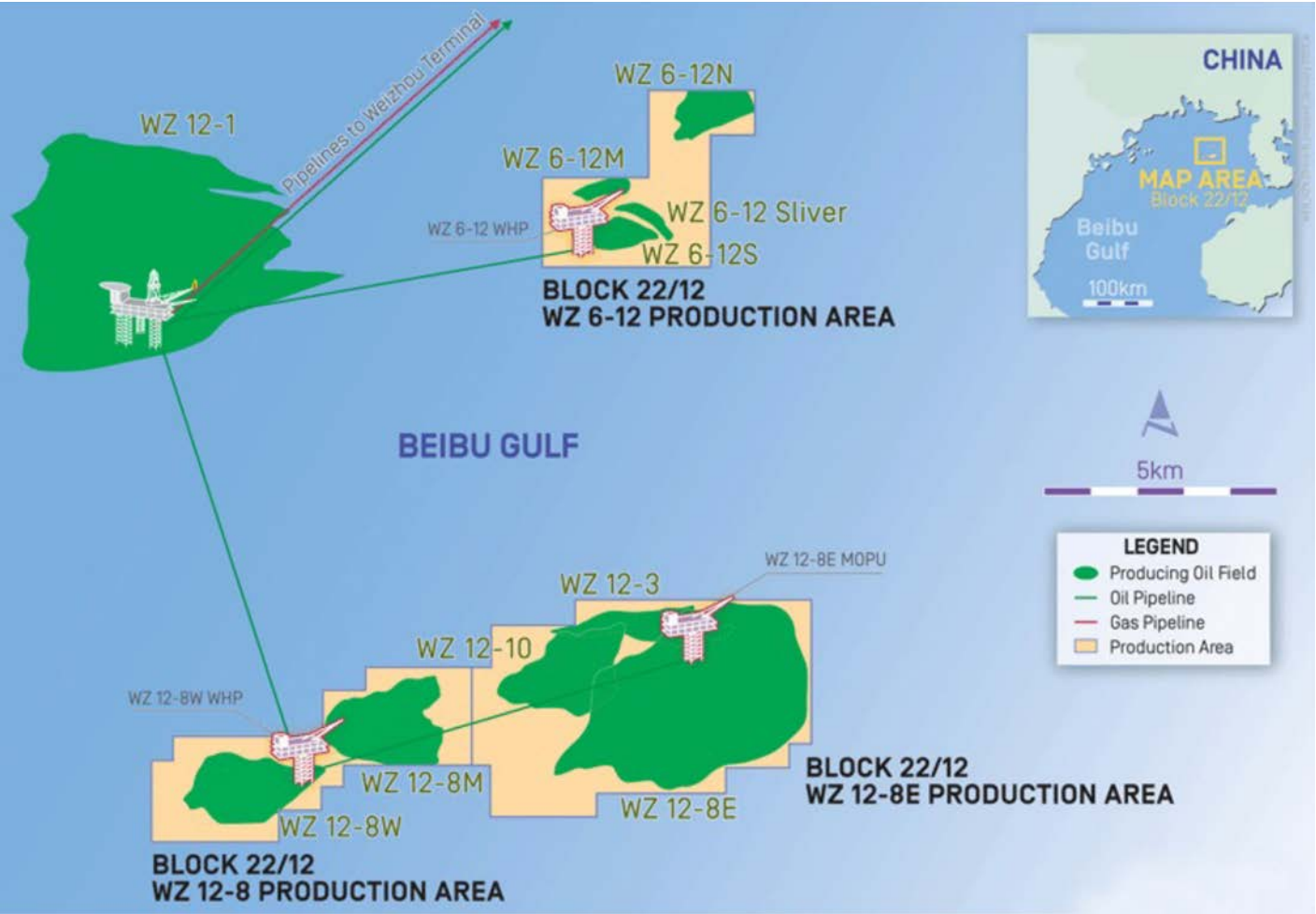




PRODUCTION

Block 22/12, Beibu Gulf, Offshore China

HORIZON INTEREST	%
PRODUCTION	26.95



During the financial year, the Group’s working interest share of production from the Beibu Gulf fields was 945,236 barrels of oil, with production declining as expected back towards the long term field average following the successful WZ12-8E development drilling during the prior year. Average gross production over the financial year was over 9,600 bopd, of which the Group’s share was 2,590 bopd.

Crude oil sales for the financial year were 911,280 barrels at an average price of US\$84/bbl exclusive of executed hedging. Oil sales and revenue benefited from an incremental cost recovery oil entitlement resulting in an additional ~US\$3.9 million of revenue recorded for the financial year.

Cash operating costs for the year were US\$19.40/bbl [produced], excluding the costs of well workovers mentioned below.

A three well workover campaign was completed in the second half of the financial year comprising activities to restore production from two currently inactive wells, and preparatory work on a third inactive well to enable side-tracking during the subsequent Q4 drilling program.

A successful four well infill well drilling campaign was largely completed during the fourth quarter of the financial year, ahead of schedule and under budget, which contributed incremental production rates of 2,300 bopd gross [620 bopd net]. The drilling program restored production back above the long-term field average with Block 22/12 production on 30 June 2024 of 10,360 bopd gross [2,792 bopd net]. These rated do not include the contribution from the last 12-8E infill well that came online on 13 July and flowed at approximately 400 bopd gross [Horizon net 108 bopd] following cleanup. The four well program is forecast to recover an incremental 1.3 mmbbl gross [Horizon net 0.35 mmbbl] to the end of the contract period.

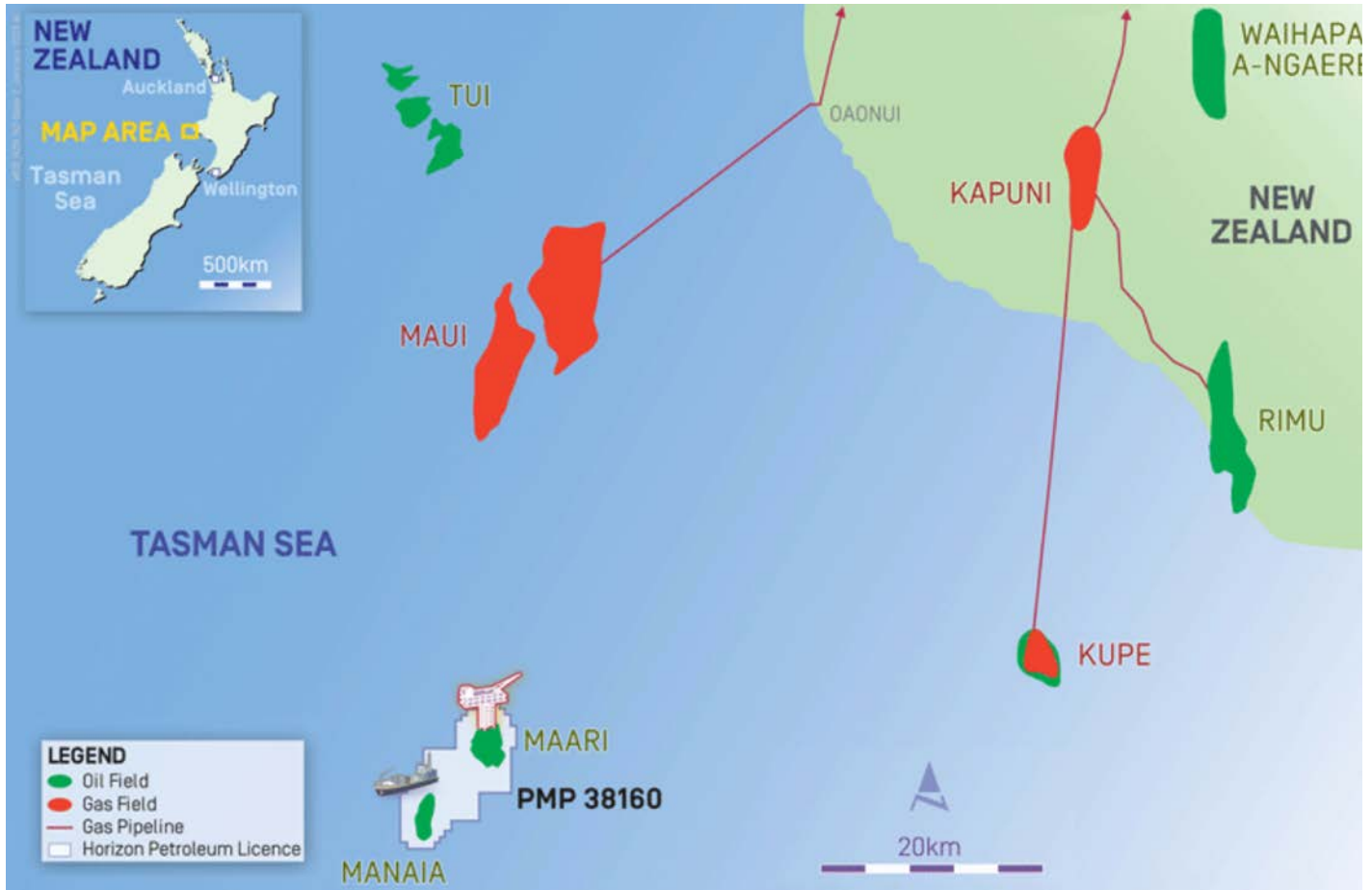
The Joint Venture has also matured a significant water handling capacity upgrade project which is expected to be online from early 2026. Recovery from this project was previously carried as contingent resources but has been reclassified as reserves in Horizon’s 30 June 2024 reserves report. The project is forecast to recover an incremental 1.2 mmbbl gross [Horizon net 0.3 mmbbl] to the end of the contract period. Horizon will pay the Operator an additional Opex processing tariff for its proportionate share of additional water handling once the project is online.

The Block 22/12 Joint Venture continues to evaluate and mature further infill drilling targets with a view to executing a drilling program during calendar year 2025, subject to rig availability and joint venture approvals.

1 Cost recovery oil entitlement is a right under the Block 22/12 Petroleum Contract to additional oil production to compensate Horizon for historical exploration expenditure incurred in the Block. The current entitlement is associated with historical WZ12-8E exploration costs.

PMP 38160, Maari/Manaia fields, Taranaki Basin, offshore New Zealand

HORIZON INTEREST	%
PRODUCTION	26



During the financial year, the Group's working interest share of production from the Maari and Manaia fields increased 18% on the prior year to 463,309 barrels of oil owing largely to the successful restoration of production from the shut-in Manaia-1 well. Average gross production over the year was 4,868 bopd, of which the Group's share was 1,266 bopd. Crude oil sales were 373,358 barrels, generating revenue of US\$34.5 million at an average realised price of US\$92.40/bbl exclusive of executed hedging. Maari crude oil continued to attract significant premiums to dated Brent which enhanced cashflow generation from the asset during the period. Cash operating costs for the year were US\$24.70/bbl (produced). Crude oil inventory at 30 June 2024 was 116,501 bbls with a lifting of over 127,000 bbls (net to HZN) deferred to July 2024 which generated revenue in excess of US\$10 million.

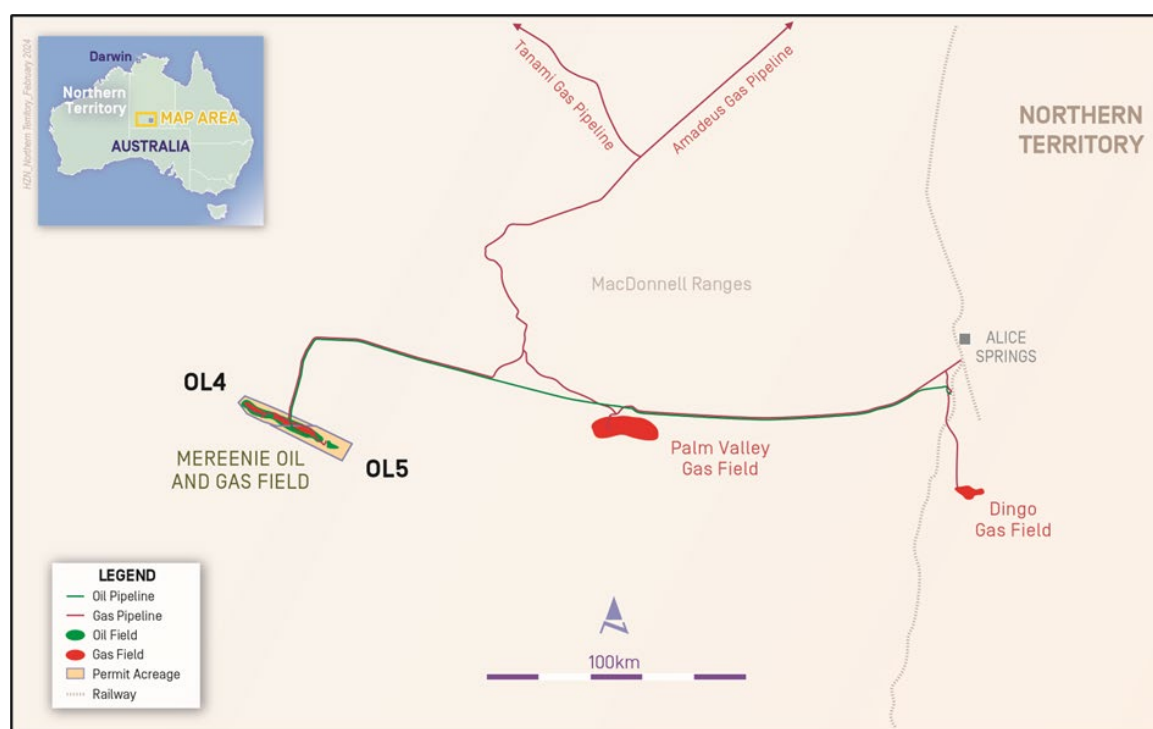
The Maari Joint Venture completed the conversion of the MR2a well to a permanent water injector in September 2023. Following the workover, MR2a is now providing pressure and displacement support to the producing wells.

Towards the end of the second quarter, the Maari JV commenced a workover on the shut-in MR6A well with the aim of reinstating oil production from the Maari Mangahewa and to exploit a previously unproduced Matapo Sandstone behind pipe opportunity. Unexpected workover unit repairs in December resulted in the temporary suspension of the workover. With those repairs completed during the financial year, and following the successful MR8A and MR10 ESP changeouts (see below), the workover re-commenced subsequent to year end.

Production was impacted during the fourth quarter by ESP failures in the MR8A and MR10 production wells, noting that both pumps materially exceeded their expected operational lifespans. Following completion of the workover unit repairs, the pumps were replaced and both wells were successfully brought back online.

The Operator received the FPSO class extension certificate from the certifying authority ABS which allows the facility to continue to operate for a further five years through to April 2028, subject to meeting ongoing continuous survey requirements. This, together with the continued favourable production trends at Maari provides the joint venture with the confidence to pursue life extension beyond the current 2027 permit expiry, including the preparation of licence extension documentation which is planned to be lodged with the regulator later this calendar year.

HORIZON INTEREST	%
PRODUCTION	25



On 11 June 2024, the Company advised that its acquisition of a 25% non-operated interest in the producing Mereenie oil and gas field completed. The effective date of the transaction was 1 April 2023, with revenues earned and costs incurred during the period from the effective date to completion adjusted against the initial cash consideration of A\$42.5 million [~US\$27.6 million]. Horizon's share of production volumes during the approximate 14 month period between effective date and completion were

2.6 PJs of gas and 0.05 mmbbls of oil. Funding for the initial cash consideration was from a new A\$42.5 million senior debt facility which was executed with Macquarie Bank. Financial close and drawdown of the facility occurred on 11 June 2024 to enable completion of the acquisition. Subsequent to the period end, the Company paid the first contingent milestone payment for the acquisition amounting to A\$5 million [~US\$3.3 million] following certain commercial milestones being achieved.

The acquisition was executed together with Echelon Resources Limited [ASX: ECH] (formerly known as New Zealand Oil & Gas Limited), an incumbent Mereenie joint venture partner, who acquired a further 25% participating interest in OL4 and OL5 from Macquarie on identical terms. Central Petroleum remains as operator of the Mereenie joint venture and manages the gas sales function on behalf of Horizon, ECH and Cue under a joint marketing agreement.

Gross production for the 3 weeks since completion of the transaction was 0.4PJ (Horizon net 25%: 0.1PJ) of gas and 5,740 bbls (Horizon net 25%: 1,435 bbls) of oil. Cash receipts from Mereenie over recent months have been impacted by the shutdown of the Northern Gas Pipeline (NGP) which has

led to varied gas production, influenced by decreased buyer nominations. In April 2024, a Gas Supply Agreement (GSA) was announced with Power and Water Company (PWC) to supply gas to the NT on an as-available basis throughout 2024, substantially offsetting the impact of the NGP shutdown.

Subsequent to the end of the year, and in response to an expression of interest to buyers for gas supply during the 2025-2030 period, the Mereenie JV entered into a long-term strategic gas sales agreement (GSA) with the Northern Territory Government (NTG). The new GSA covers the firm supply of gas for the 6 year period from 1 January 2025 through until 31 December 2030 to underpin the domestic supply of gas to the Northern Territory. Together with an amended existing gas supply agreement with Arafura Rare Earths Limited (ARU), the Mereenie joint venture has now substantially contracted the forecast Mereenie Proved Developed Producing (PDP) gas production on a firm take or pay basis until the end of 2030 at current market prices, subject to the ARU GSA becoming unconditional. These gas sales agreements reduce the market dependency on the Northern Gas Pipeline (NGP) with the NTG GSA also including contingent offtake arrangements for firm gas nominations in 2025 if the NGP is offline. The NTG GSA also supports the drilling of two proposed infill wells at Mereenie with contingent offtake arrangements for firm gas nominations following successful drilling.

The JV continues to focus on additional 2024/25 work program activities, including helium recovery initiatives and further infill drilling opportunities with the proposed two well infill drilling program being endorsed by the JV subsequent to the end of the financial year. The infill well program is targeting incremental gas production at Mereenie with drilling activities expected to commence around the middle of FY25.

This annual financial report covers the consolidated financial statements for the Group, consisting of Horizon Oil Limited (the '**Company**') and its subsidiaries.

The annual financial report is presented in United States dollars.

Horizon Oil Limited is a public company limited by shares and is listed on the ASX. It is incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
360 Kent Street
Sydney NSW 2000

The annual financial report was authorised for issue by the Board of Directors on 28 August 2024. The Board of Directors has the power to amend and reissue the annual financial report.

All references to reserves and contingent resources within the financial report are drawn from the Horizon 2024 Reserves and Resources Statement dated 28 August 2024.



FINANCIAL REPORT

For the financial year ended
30 June 2024

HORIZON OIL LIMITED

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of Horizon Oil Limited (the 'Company') and the subsidiaries it controlled at the end of, or during the financial year ended, 30 June 2024.

Directors

The following persons were directors of Horizon Oil Limited during the whole, or for part where noted, of the financial year and up to the date of this report:

M Harding
R Beament
S Birkenleigh
G Bittar
B Clement
N Burgess

Review of operations

Principal activities

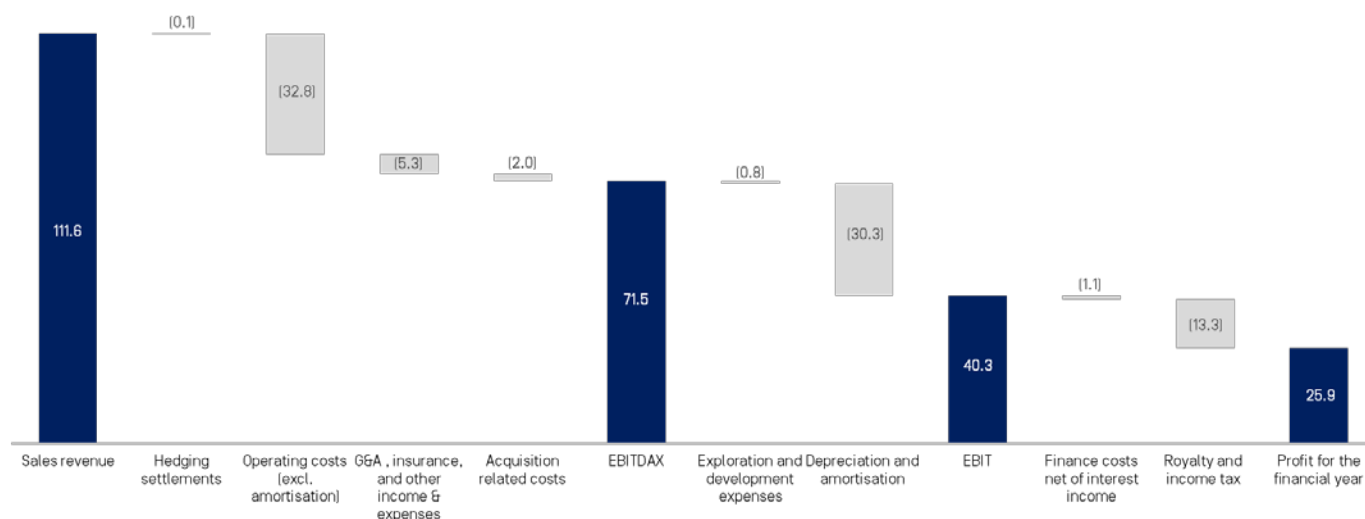
During the financial year, the principal activities of the Group continued to be directed towards petroleum production, development and exploration.

A detailed review of the operations of the Group during the financial year is set out in the Activities Review on pages 11 to 14 of this annual financial report.

Group Financial Performance

Consolidated Statement of Profit or Loss and Other Comprehensive Income

2024 Profit Drivers



The Group reported a statutory profit after tax of US\$25.9 million for the financial year (2023: US\$43.9 million) with non-cash items impacting on the financial year result including US\$30.1 million (2023: US\$38.5 million) in amortisation of production phase assets and US\$1.2 million (2023: US\$1.4 million) of non-cash expense related to the value of performance rights and share appreciation rights granted to Horizon employees.

EBITDAX was US\$71.5 million (2023: US\$103.5 million) and EBIT was US\$40.3 million (2023: US\$59.8 million). Cashflows from operating activities of US\$64.2 million (2023: US\$72.0 million) enabled the Group to return ~US\$37 million to shareholders whilst also meeting its capital expenditure commitments and repaying a further US\$7.9 million in debt during the financial year.

EBITDAX and EBIT are financial measures which are not prescribed by Australian Accounting Standards and represent the profit under Australian Accounting Standards adjusted for interest expense, taxation expense, depreciation, amortisation,

and exploration expenditure (including non-cash impairments). The directors consider EBITDAX and EBIT to be useful measures of performance as they are widely used by the oil and gas industry. EBITDAX and EBIT information has not been audited. However, they have been extracted from the audited annual financial reports for the financial years ended 30 June 2024 and 30 June 2023.

Basic earnings per share for the financial year was 1.60 US cents based on a weighted average number of fully and partly paid ordinary shares on issue of 1,617,370,026 shares.

Sales and Production

The Group's producing assets performed well despite the overall decline in Horizon's net working interest share of production to 1,426,687 boe for the financial year (2023: 1,915,886 bbls). Production from Maari was particularly strong, increasing 18% from the prior period following the restoration of production from the MN1 well and the conversion of MR2a to a permanent water injector. As anticipated, production from Block 22/12 declined naturally during the period following the successful WZ12-8E infill drilling during the prior year, with production levels restored back above 10,000 bopd towards the end of the year following the four well drilling campaign completed in July 2024. The drilling campaign is forecast to recover an incremental 1.3 million barrels gross (0.35 million barrels, HZN net working interest) to the end of the contract period.

Sales volumes for the financial year declined in line with production to 1,301,155 boe (2023: 1,774,437 bbls) with 119,564 bbls of crude oil inventory on hand as at 30 June 2024 following the deferral of a Maari lifting from June to July 2024. Sales revenue for the financial year was US\$111.5 million (2023: US\$152.1 million), with a net realised oil price of US\$85.7/bbl (2023: US\$85.71/bbl), inclusive of hedge settlements. The deferred Maari lifting occurred in July 2024, generating further revenue of over US\$10 million.

Production and sales volumes above exclude Horizon's economic entitlement to Mereenie pre-completion production of 2.6 PJs (~0.5 mmmboe) of gas and 0.05 mmbbls of oil back to the transaction effective date of 1 April 2023. For accounting purposes, the pre-completion cashflows are set off against the acquisition price in the balance sheet and not booked through the income statement during the year. On an economic interest basis, Horizon's total share of production for the financial year inclusive of Mereenie pre-completion production was approximately 1.9 mmmboe, broadly consistent with the prior year.

Operating costs for the period were US\$62.9 million (2023: US\$81.2 million). The reduced costs were mainly the result of lower production levels at Block 22/12 reducing amortisation charges and the deferred Maari lifting which significantly increased the crude oil inventory held on the balance sheet at the end of the financial year. The lower production volumes also resulted in reduced special oil levies from Block 22/12.

General and Administrative Expenses

General and administrative expenses reduced by US\$1.0 million during the financial year to US\$2.8 million (2023: US\$3.8 million). The reduction was driven by a reduction in headcount coupled with a reduction in non-cash share-based payment expenses. General and administrative expenses comprised net employee benefits expense of US\$1.7 million (including non-cash share-based payment expense of US\$1.2 million), corporate office expense of US\$0.8 million, and depreciation of US\$0.2 million.

Insurance Expense

Insurance expense of US\$2.1 million (2023: US\$2.0 million) was in line with the prior financial period.

Exploration and Development Expenses

Exploration and development expenses were US\$0.8 million (2023: US\$4.6 million) and was focused on appraisal and exploration opportunities in and around Block 22/12 in China and the evaluation of inorganic growth opportunities including the Mereenie acquisition.

Finance Costs/Income

The Group's net borrowing costs of US\$1.1 million were US\$1.7 million lower during the period following the full repayment of the Group's Cash Advance Facility in July 2023 coupled with a higher average balance of cash held in interest bearing accounts/term deposit.

Income and Royalty Tax

The net income and royalty tax expense of US\$13.3 million (2023: US\$13.1 million) incurred during the financial year included a current tax expense of US\$12.4 million, a deferred income tax benefit of US\$2.1 million and a royalty related tax expense of US\$3.0 million. The net income tax expense was driven by cash taxes of US\$9.8 million in China and US\$2.6 million in New Zealand. Royalty tax expense of US\$2.9 million reflected cash and deferred royalty tax associated with the Maari/Manaia field.

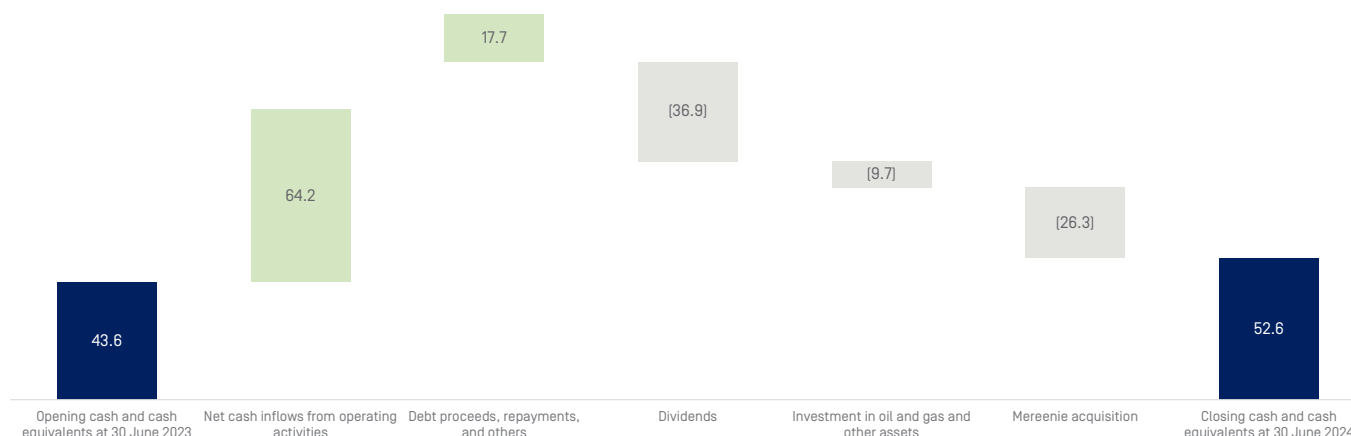
Consolidated Statement of Financial Position

At 30 June 2024, total assets were US\$205.3 million (2023: US\$183.5 million) and total liabilities were US\$122.0 million (2023: US\$87.7 million), resulting in net assets of US\$83.2 million (2023: net assets of US\$95.8 million). The initial purchase consideration for the Mereenie acquisition was fully debt funded, accordingly the acquisition did not have a material impact on the net asset position of the Group as at 30 June 2024.

At 30 June 2024, the Group reported a net cash position of US\$26.2 million. Net cash of US\$26.2 million comprised of cash and cash equivalents held of US\$52.6 million (2023: US\$43.6 million) offset by borrowings of US\$26.4 million (2023: US\$7.9 million). At financial year end, borrowings consisted of US\$26.4 million principal outstanding on the Group's debt Facility.

Consolidated Statement of Cash Flows

2024 Cash Drivers



Net cash generated from operating activities for the financial year was US\$64.2 million (2023: US\$72.0 million) which when coupled with the disciplined spending and significantly lower capital costs incurred during the period, resulted in the continued build in cash reserves notwithstanding the significant shareholder distributions and debt repayments made during the period. The build in cash reserves was further aided by the full debt funding of the initial purchase consideration for the Mereenie Acquisition.

Corporate

Group liquidity

At 30 June 2024, the Group's net cash position was US\$26.2 million (30 June 2023: US\$35.7 million) following ~US\$37 million in dividends paid to shareholders during the financial year and the US\$26.4 draw down on a new 5 year debt facility used to fund the Mereenie Acquisition. Net cash comprises cash and cash equivalent assets held of US\$52.6 million (30 June 2023: US\$43.6 million) offset by the nominal value of borrowings drawn down of US\$26.4 million (30 June 2023: US\$7.9 million) on the Group's debt facility. Details of the Group's debt facilities are set out in Note 19.

Dividends

The Board has declared a final dividend of AUD 1.5 cents per Ordinary share totalling approximately AUD 24.3 million. This dividend was declared as a Conduit Foreign Income (CFI) unfranked dividend and will be paid on 25 October 2024. During the financial year, the Board also declared an interim dividend of AUD 1.5 cents per Ordinary share totalling approximately AUD 24.3 million. This dividend was declared as a Conduit Foreign Income (CFI) unfranked dividend and was paid on 26 April 2024.

Oil Price Hedging

The Company maintains leverage to the oil price with a minimal hedge position. At the date of this report, hedges were in place for 77,500 bbls of oil covering the period to November 2024, with a weighted average fixed price of US\$82.64/bbl.

Group business strategies and prospects for future financial years

The Company's exploration, development and production activities are focused in China and Australasia. The robust cash flows from the Company's interests in Block 22/12, offshore China; Maari/Manaia fields, offshore New Zealand and Mereenie, onshore Australia, will be applied to fund the Company's future capital and growth program, and to repay debt, with surplus funds returned to shareholders. The growth program is focussed on enhancing shareholder value by bringing into production the Company's substantial inventory of contingent and prospective resources in fields in China, New Zealand and Australia, whilst keeping an eye on potential other value accretive growth opportunities.

The Company has a targeted and selective exploration and development strategy with specific focus on plays providing material scale and upside in and around existing permits with ready access to development infrastructure. The reserves and contingent resources in the company's inventory provide shareholders with exposure to commodity price upside and potential production growth opportunities.

The achievement of these strategic objectives may be affected by macro-economic and other risks including, but not limited to, global growth, volatile commodity prices, exchange rates, climate change, access to financing and political risks. The speculative nature of petroleum exploration and development will also impact the Company's ability to achieve these objectives; key risks of which include production and development risk, exploration and drilling risks, joint operations risk, and geological risk surrounding resources and reserves.

The Group has various risk management policies and procedures in place to enable the identification, assessment and mitigation of risks that may arise. Whilst the Group can mitigate some of the risks described above, many are beyond the control of the Group. For further information in relation to the Company's risk management framework, refer to the Corporate Governance Statement.

Outlook

In the near term, continued strong operating cashflow generation is forecast with the Group's overall production enhanced and diversified with the addition of the Mereenie asset. Production levels and cashflows from each field are forecast to be impacted by natural reservoir decline in the near-term before further infill drilling and other production enhancing initiatives are progressed. These cashflows are expected to enable continued returns to shareholders and funding for further production growth opportunities.

The Group's short-term focus is on:

- Continued optimisation of production performance from the Block 22/12, Maari/Manaia and Mereenie fields;
- Maturing further infill drilling opportunities, particularly at Block 22/12 and Mereenie;
- Pursuing life extension at Maari; and
- Continued evaluation of organic and inorganic opportunities.

Matters subsequent to the end of the financial year

Other than the matters noted above and disclosed in the review of operations, there has not been any matter or circumstance which has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- [1] - the Group's operations in future financial years; or
- [2] - the results of those operations in future financial years; or
- [3] - the Group's state of affairs in future financial years.

Environmental regulation

The Group is subject to significant environmental regulation in respect of exploration, development and production activities in all countries in which it operates – China, New Zealand and Australia. Horizon Oil Limited is committed to undertaking all of its exploration, development and production activities in an environmentally responsible manner.

The Directors believe the Group has adequate systems in place for managing its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Reporting currency

The Company's and the Group's functional and reporting currency is United States dollars. All references in this annual financial report to "\$" or "dollars" are references to United States dollars, unless otherwise stated.

Business risks

The achievement of Horizon's business strategy and future financial performance is subject to various risks. Horizon undertakes steps to identify, assess and manage these risks and operates under a Board-approved Group-wide Risk Management Framework. Risk management is addressed in the Company's Sustainability Report, for the year ended 30 June 2024, which may be accessed from the Company's website at www.horizonoil.com.au.

The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2024 are:

		Risk Description / Potential Impacts	Mitigating factors
1	Adverse impact to production	A loss of production event causes a reduction in cashflow.	Group has in place Loss of Production insurance over the assets in New Zealand, China and Australia. Recent completion of the Mereenie, Australia transaction on 11 June 2024 diversifies the production base.
2	Major safety and/or environmental event	Major safety/environmental incidents leading to reputational damage, potential facilities shutdown imposed by regulators and a loss of business value.	Oversight of operations with regular site visits and monitoring regulatory audit reports and timely implementation of corrective actions.
3	Market volatility	Market driven forces reduce the value of Horizon's assets and/or reduce the revenue derived from its operations.	The Group has access to commodity hedge lines and continually monitors market conditions and cashflow forecasts to assess the need for hedging. Review of corporate and joint venture budgets and cost-reduction initiatives.
4	Decommissioning costs exceed estimates	Decommissioning costs exceed estimates adversely impacting Group liquidity.	Group has in place adequate liquidity (including working capital) to cover potential financial security requirements.
5	Political/Regulatory risk	Risk that governments enact onerous legislative changes which has a material impact on the business	Recent completion of the Mereenie, Australia transaction on 11 June 2024 diversifies the geographies in which the Company operates.

Information on Directors & Officers

The following persons held office as Directors or Officers of Horizon Oil Limited at the date of this Directors' Report:

Chairman, Independent Non-Executive Director	Mike Harding
Responsibilities:	Mr Harding has been Chairman of Horizon since November 2018. He is Chairman of Horizon's Disclosure Committee and Member of Horizon's Audit and Remuneration and Nomination Committees.
Experience:	Mr Harding has held management positions around the world with British Petroleum (BP), including President and General Manager of BP Exploration Australia.
Directorships:	Mr Harding is a former Director of Cleanaway Waste Management Limited, former Chairman of Downer, Lynas Limited, Roc Oil Company Limited, Clough Limited and ARC Energy Limited and a former Director of Santos Limited.
Qualifications:	Mr Harding holds a Master of Science, majoring in Mechanical Engineering.
Managing Director, Chief Executive Officer	Richard Beament
Responsibilities:	Mr Beament has been Managing Director and Chief Executive Officer of Horizon since July 2022. He was formerly Horizon's Chief Financial Officer from July 2018 to June 2022 and was Company Secretary from September 2021 to June 2022. He joined Horizon as Finance and Commercial Manager in May 2010. Since that time, he has been actively engaged in arranging and managing the Group's funding, as well as managing the Group's investments in Maari and Block 22/12. He is a Member of Horizon's Risk Management and Disclosure Committees.
Experience:	Mr Beament is a Chartered Accountant with over 25 years' experience in accounting and finance across a range of sectors, including over 13 years in managerial positions in the oil and gas sector. Prior to joining Horizon in 2010, he held senior positions with PricewaterhouseCoopers in Sydney and London.
Directorships:	Nil
Qualifications:	Mr Beament holds a Bachelor of Commerce degree and is a member of the Chartered Accountants Australia and New Zealand (CAANZ).
Independent Non-Executive Director	Sandra Birkenleigh
Responsibilities:	Ms Birkenleigh has been a Director of Horizon since February 2016. She is Chair of Horizon's Audit Committee and a Member of Horizon's Risk Management, and Remuneration and Nomination Committees.
Experience:	Ms Birkenleigh has 26 years' experience in financial services, risk management, compliance and corporate governance with PricewaterhouseCoopers including as Global Lead for Governance Risk & Compliance, National Lead for Partner Risk and Controls Solutions and a Service Team Leader for Performance Improvement. Sandra has been a professional non-executive director at a range of entities for the past 11 years.
Directorships:	Ms Birkenleigh is Chairman of Auswide Bank Limited, Non-Executive Director of 7-11 Holdings and its subsidiaries, National Disability Insurance Agency and Adore Beauty Limited, Deputy Chancellor and a Council Member of the University of the Sunshine Coast and Chair of its Audit and Risk Committee. She is an Independent Member of the Audit Committee of the Reserve Bank of Australia and Chair of the Tasmania Finance Corporation. Ms Birkenleigh is a former director of MLC Limited.
Qualifications:	Ms Birkenleigh is a Chartered Accountant and holds a Bachelor of Commerce. She is a Graduate Member of the Australian Institute of Company Directors and Fellow of the Governance, Risk and Compliance Institute.

Non-executive Director	Gregory Bittar
Responsibilities:	Mr Bittar has been a Director of Horizon since March 2017, as nominated by Horizon's substantial shareholder IMC Pan Asia Alliance Group. He is Chairman of Horizon's Remuneration and Nomination Committee and a Member of Horizon's Audit Committee.
Experience:	Mr Bittar has extensive experience in public and private markets mergers and acquisitions, capital markets and strategic advisory assignments across a range of sectors including general industrials, metals and mining, mining services and energy. Mr Bittar has worked for Bankers Trust, Baring Brothers Burrows and Morgan Stanley.
Directorships:	Mr Bittar was a former Chairman of Brightstar Resources Limited, Trek Metals Limited and Millennium Minerals Limited.
Qualifications:	Mr Bittar holds a Master of Finance from London Business School, a Bachelor of Economics and a Bachelor of Laws (Hons).
Alternate Director for Gregory Bittar	Bruno Lorenzon
Responsibilities:	Mr Lorenzon has been an Alternate Director for Greg Bittar since March 2017.
Experience:	Mr Lorenzon has worked for the IMC Pan Asia Alliance Group for the past 15 years and has extensive experience in investments, strategy and corporate finance in the resources sector both in Australia and overseas. Mr Lorenzon previously worked for Vale in Brazil and Rio Tinto in Australia in roles encompassing strategic planning, mergers and acquisitions and business development.
Qualifications:	Mr Lorenzon is a Chartered Financial Analyst and holds a Master of Business Administration and Bachelor of Civil Engineering.
Independent Non-Executive Director	Bruce Clement
Responsibilities:	Mr Clement was appointed as an independent non-executive director on 1 September 2020. He is Chairman of Horizon's Risk Management Committee.
Experience:	Mr Clement has over 40 years' oil and gas experience; beginning his career as a projects engineer at Esso Australia Limited (now Exxon). He has managed exploration, development and production operations in Australia and Asia, as well as successfully delivering key projects in Australia, China, Indonesia, the UK and the USA, including implementation of major acquisitions and divestments. Mr Clement has led AWE Limited and Roc Oil Limited as Chief Executive Officer and has held senior managerial roles at Santos Limited, Ampol Limited and Esso Australia Limited (Exxon).
Directorships:	Mr Clement is a non-executive director and former interim Chief Executive officer of Beach Energy Limited (ASX:BPT) and former director of Norwest Energy Limited, Roc Oil and AWE Limited.
Qualifications	Mr Clement holds a Bachelor of Engineering (Civil) Hons and Bachelor of Science (Maths & Computer Science) from Sydney University and Masters of Business Administration from Macquarie University.
Non-Executive Director	Nigel Burgess
Responsibilities:	Mr Burgess was appointed as a non-executive director on 1 July 2021. Mr Burgess is a nominee director of Samuel Terry Asset Management, which manages the Samuel Terry Absolute Return Fund, a substantial shareholder in Horizon. Due to his association with Samuel Terry, he is not considered independent. He is a Member of Horizon's Audit Committee.
Experience:	Mr Burgess has 30 years of commercial experience in funds management with Samuel Terry, Hunter Hall, GIO of Australia and Friends Provident in Australia, and a family office in Europe. He has experience in a variety of commercial transactions and corporate restructurings across a range of industries and jurisdictions.
Directorship:	He is a former director of Spicers Limited (ASX: SRS; de-listed 2019) and Yellow Holdings Limited (New Zealand).
Qualifications:	Mr Burgess holds a Bachelor of Economics degree and Masters of Accounting degree from the University of New South Wales.

Chief Financial Officer / Assistant Company Secretary	Kyle Keen
Responsibilities:	Mr Keen has been Horizon's Chief Financial Officer since 1 July 2022. Mr Keen has been Horizon's Assistant Company Secretary since November 2018.
Experience:	Mr Keen is a Chartered Accountant with expertise in financial risk management and financial reporting across a range of sectors, in particular, oil and gas. He has 13 years' experience including working in top tier accounting practices including EY in the United Kingdom and KPMG in South Africa.
Qualifications	Mr Keen holds a Bachelor of Accounting (Hons) degree and is a member of the South African Institute of Chartered Accountants.
Group Tax Manager / Company Secretary	Vasilios [Vas] Margiankakos
Responsibilities:	Mr Margiankakos has been Horizon's Group Tax Manager since October 2017.
Experience:	Mr Margiankakos has over 20 years' experience in corporate and international taxation and mergers and acquisitions across a vast number of industries including oil and gas, banking and financial services, infrastructure, media, manufacturing and consumer goods, and technology. Prior to joining Horizon, Vas was Head of Tax at Bravura Solutions Limited and BBC Worldwide Australia (now BBC Studios), prior to which he held a number of senior tax positions at top tier accounting practices such as EY, Deloitte and KPMG.
Qualifications	Mr Margiankakos holds a Bachelor of Economics degree from the University of New South Wales.
Group Chief Operating Officer	Gavin Douglas
Responsibilities:	Mr Douglas has been Horizon's Group General Manager – Production & Exploration until his appointment as Chief Operating Officer on 1 July 2022.
Experience:	Mr Douglas is a geologist with over 25 years' experience of exploration, development and production of oil and gas, and has 15 years' experience in technical managerial positions, including leading multidiscipline technical teams in Australia, and throughout Southeast Asia and the Middle East. Prior to joining Horizon, Gavin was the Well Delivery Manager with Oil Search and Subsurface Manager with Eaglewood Energy.
Qualifications	Mr Douglas holds an Honours Degree in Geology and a Masters in Reservoir Evaluation & Management. He is a member of the American Association of Petroleum Geologists (AAPG) and a member of the Society of Petroleum Engineers (SPE).

Directors' Interests in the Company's Securities

As at the date of this Directors' Report, the Directors held the following number of fully paid ordinary shares:

DIRECTOR	ORDINARY SHARES		
	DIRECT	INDIRECT	TOTAL
M Harding	500,000	-	500,000
R Beament	6,016,724	5,936,000	11,952,724
S Birkenleigh	-	-	-
G Bittar	1,000,000	-	1,000,000
B Clement	-	-	-
N Burgess ¹	-	314,212,423	314,212,423
B Lorenzon (as alternate)	-	-	-

¹ Mr Burgess is a Director of Samuel Terry Asset Management Pty Ltd, the Trustee and Investment Manager of Samuel Terry Absolute Return Fund which holds the 314,212,423 shares.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors (the 'Board') and of each Board Committee held during the financial year, and the numbers of meetings attended by each Director were:

	BOARD	AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	REMUNERATION & NOMINATION COMMITTEE	DISCLOSURE COMMITTEE
Number of meetings held:	7	2	2	2	1
Number of meetings attended by:					
M Harding ^{1, 3}	6 ³	2	2	1	1
R Beament	7	2	2	2	1
S Birkenleigh	7	2	2	2	
G Bittar ¹	7	2	2	2	
B Clement ^{2, 3}	7	2	2	1	
N Burgess ¹	7	2	2		
B Lorenzon (as alternate for G Bittar)	0				

¹ Mr Harding, Mr Bittar and Mr Burgess attended the risk management committee meetings in their capacity as Non-Executive Directors of Horizon Oil Limited and are not members of the risk management committee.

² Mr Clement attended audit committee meetings in his capacity as a Non-Executive Director of Horizon Oil Limited and is not a member of the audit committee. Mr Clement attended RNC meeting on behalf of Mr Harding.

³ Mr Clement attended a Board meeting in the capacity as chairman on behalf of Mr Harding.

Corporate Governance

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the Company's governance framework and practices to ensure they meet the interests of shareholders. The Corporate Governance Statement was approved by the Board on 28 August 2024.

The Company's Corporate Governance Statement for the year ended 30 June 2024 may be accessed from the Company's website at www.horizonoil.com.au. A description of the Company's main corporate governance practices is set out in the Corporate Governance Statement. All these practices, unless otherwise stated, were in place for the full financial year and comply with the ASX Corporate Governance Council's revised Corporate Governance Principles and Recommendations 4th edition, released in 2019.

Sustainability Reporting

Sustainability continues to be an important focus for Horizon with progress made during the current financial year on Horizon's Environmental Social and Governance (ESG) Action Plan. Summarised below for each of Horizon's ESG priority areas is an update on the progress made for the year ended 30 June 2024.

The Company's Sustainability Report for the year ended 30 June 2024 may be accessed from the Company's website at www.horizonoil.com.au.

The Australian Federal Government is proposing amendments to the Corporation Act. The Government's objective is to improve transparency and comparability of information available to investors regarding Australian entities exposure to climate-related financial risks, opportunities, and their plans and strategies in response to these exposures. If the amendments are enacted, Australian entities will be required to adopt new standards developed by the Australian Accounting Standards Board (AASB). The standards will be largely based on the International Sustainability Standards Board's (ISSB) International Financial Reporting Standards (IFRS) S1 and S2. The disclosure requirements will be gradually phased in, depending on entity's consolidated gross assets, revenue and number of employees. We are closely monitoring the evolving disclosure requirements and will assess the need for changes in ESG reporting expected to be effective for the financial year commencing 1 July 2026 to ensure ongoing compliance and reporting accuracy.

The ESG metrics discussed below, exclude Mereenie data, given that the completion of Horizon's asset acquisition was close to the end of FY24 (11 June 2024). Going forward, Mereenie ESG performance metrics will be included with Horizon's other operations, based on Horizon's percentage equity position. Horizon's materiality review will be reconducted in FY25, with the Mereenie asset most like having some bearing on the company's ESG focus areas.

Health, safety & environment [HSE]

Both Block 22/12 and Maari have continued their strong safety performance, despite significant drilling, workover and production activities. As at the financial year ended 30 June 2024, Horizon achieved a Total Recordable Injury Frequency Rate (TRIFR) of 3.30, and a Lost Time Injury Frequency Rate (LTIFR) of zero, both less than the National Offshore Energy Regulator (NOPSEMA) industry averages in Australia. There were zero fatalities and zero material environmental incidents for FY24. Our Operators continue to run safety awareness campaigns with the objective of continuous improvement.

The Directors believe the Group has adequate systems in place for managing its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Governance

Governance continues to be a core focus for the Group. The Board continues to have oversight of ESG strategy and performance, including climate change, with support from the Sustainability Steering Committee. During the period Horizon conducted its annual assessments on its value and supply chain for risks and incidences of modern slavery. The Modern Slavery Statement, for FY2023, was published in line with the requirements of the Australian Modern Slavery Act 2018. The work on 2024 Modern Slavery Statement is currently underway to be submitted in December 2024. This statement may be accessed from the Company's website at www.horizonoil.com.au. During the year, Horizon has conducted further checks around Cyber Security with improvement actions being implemented.

Climate change

Climate change continues to be of importance to the Group, and the recent investment into domestic gas is an important step in supporting the energy transition. The Mereenie oil and gas field provides gas for both domestic consumption and for the mining and processing of minerals critical to the energy transition. The Group's investment in Re-Vi (formerly Nobrac) continues to progress, with its biochar project achieving first production with certification of carbon removal credits underway. Horizon continues to support our Operators in emission reduction initiatives. Scope 1 absolute emissions for FY24

is approximately 22% lower than FY23, with most of the reduction attributable to production decline. FY24 has seen the implementation of some emission reduction initiatives. Refer to the Group's Sustainability Report for more details.

Horizon continues to acquire and surrender carbon credits in New Zealand Units (NZUs) under the NZ Emissions Trading Scheme (ETS) to cover 100% of the Group's share of Maari Scope 1 emissions. Through participation in the NZ ETS, the Company is supporting New Zealand in achieving its stated commitment to Net Zero GHG emissions by 2050 in alignment with the Paris Agreement.

People – Employees & Community

The Company continues to focus on its employees and provides workplace flexibility and initiatives to enhance productivity and staff morale. Horizon continues to work with our Operators and partners to identify and participate in relevant and meaningful community-based projects.

Remuneration Report

This Remuneration Report [Report] outlines the remuneration arrangements for the Key Management Personnel [KMP] of the Company for the financial year ended 30 June 2024. The Remuneration Report for 30 June 2023 received a 98% approval at the 2023 Annual General Meeting held on 22 November 2023. This Report forms part of the Directors' Report and has been audited in accordance with section 308(3)(c) of the Corporations Act 2001. The Report is structured as follows:

- [1] - Individuals covered by the Remuneration Report
- [2] - Executive remuneration framework
- [3] - Contractual arrangements for executives
- [4] - Performance and financial year remuneration outcomes
- [5] - Non-executive Director remuneration
- [6] - Statutory and share-based reporting

[1] - Individuals Covered by the Remuneration Report

The Group is required to prepare a Report in respect of KMP, those persons who have the authority and responsibility for planning, directing, and controlling the activities of the Company and the Group, either directly or indirectly, being:

- Directors; and
- Other Key Management Personnel

The table below outlines the KMP movements during the financial year:

NAME	TITLE	PERIOD AS KMP
DIRECTORS		
Mike Harding	Chairman (non-executive)	Full financial year
Richard Beament	Managing Director / Chief Executive Officer	Full financial year
Sandra Birkenleigh	Director (non-executive)	Full financial year
Greg Bittar	Director (non-executive)	Full financial year
Bruce Clement	Director (non-executive)	Full financial year
Nigel Burgess	Director (non-executive)	Full financial year
Bruno Lorenzon	Alternate Director (non-executive)	Full financial year
OTHER KMP (EXECUTIVES)		
Gavin Douglas	Chief Operating Officer	Full financial year
Kyle Keen	Chief Financial Officer / Assistant Company Secretary	Full financial year

[2] - Executive Remuneration Framework

[2.1] - How does Horizon determine remuneration outcomes?

The objective of the Group's remuneration framework is to provide reward for performance that is competitive and appropriate for the results delivered. The Board, through its Remuneration and Nomination Committee, continues to review KMP remuneration arrangements to ensure they align with the Group's strategic objectives. The remuneration framework for executives is based on the following principles for guiding the Group's decisions regarding executive remuneration.

- **Good reward governance principles:**
 - competitiveness and reasonableness;
 - performance linkage / alignment of executive compensation;
 - transparency; and
 - capital management.

- **Alignment to shareholders' interests:**
 - focuses on sustained growth in shareholder value; and
 - attracts and retains high calibre executives capable of managing the Group's diverse international operations.
- **Alignment to program participants' interests:**
 - rewards capability and experience;
 - reflects competitive reward for contribution to growth in shareholder wealth;
 - provides a clear structure for earning rewards; and
 - provides recognition for contribution.

[2.2] - Remuneration policy and link to performance

The remuneration framework is designed to recognise performance during the financial year (Short-Term Incentives [STIs]) and maximise shareholder value (Long-Term Incentives [LTIs]). Executive remuneration is comprised of fixed and variable ("at risk") remuneration consisting of STIs and LTIs. LTI's were issued to the below executives during the financial period following their appointments to drive long term value creation. LTI's are not planned to be awarded annually. The graph below sets out the mix of total annual fixed remuneration and the maximum variable remuneration in the form of STI's. Annual incentives have been established to drive performance without encouraging undue risk taking. The mix of Total fixed remuneration and Short-term incentives for the financial year is shown in the table below with percentages rounded to the nearest whole number.

Chief Executive Officer

Richard Beament



Chief Operating Officer

Gavin Douglas



Chief Financial Officer / Assistant Company Secretary

Kyle Keen



[2.3] - Elements of remuneration

FIXED REMUNERATION [FR]	
What is Fixed Remuneration?	Fixed Remuneration comprises 'Total Fixed Remuneration' (TFR), together with non-monetary benefits. TFR is base salary plus superannuation. Non-monetary benefits include car parking, insurances and other expenses inclusive of fringe benefits tax. Executive remuneration (which is set and paid in Australian Dollars [A\$]) and other terms of employment are reviewed annually by the Remuneration and Nomination Committee having regard to relevant comparative information.
Link to strategy and performance	Competitive TFR is paid to ensure that the Group can attract and retain suitable executives to deliver the strategic goals. Fixed Remuneration is reviewed annually by the Remuneration and Nomination Committee considering market data, scope of the Executive's role, expected skill, experience and qualification and individual performance.

SHORT-TERM INCENTIVE (STI)

Objective	The STI provides all Executives with an opportunity to earn an annual incentive which is paid in a combination of cash and deferred equity in the first quarter of the new financial year. The deferred equity element is 50% of the total STI awarded with the residual paid in cash. The STI award is determined by the Board following the end of the financial year having regard to Group performance over the financial year.
How is the STI linked to performance?	The STI is designed to motivate and reward Executives for contributing to the delivery of annual business performance. Key Performance Indicators (KPIs) are determined each financial year and approved by the Board. The Company's performance against these KPIs is reviewed annually.
How is performance measured for the STI?	Awards are made annually with performance measured over the twelve months to 30 June and are aligned to the attainment of the Company's Board approved KPIs for the relevant year. Awards under the plan are determined and paid in a combination of cash and deferred equity in the first quarter of the new financial year. The deferred equity element is subject to the specific terms of the executive's employment agreement. Actual performance against financial, non-financial and individual measures is assessed at the end of the financial year. In assessing the achievement of measures, the Remuneration and Nomination Committee may exercise its discretion to adjust outcomes for significant factors outside the control of management that contribute positively or negatively to results.
STI opportunity	Up to 75% of the Chief Executive Officer's TFR, up to 60% of the Chief Operating Officer's TFR and up to 50% of the Chief Financial Officer's TFR. A proportion of each executive's STI award will be granted in the form of deferred equity rights with the residual STI paid in cash. The proportions of the STI award paid in cash and received in deferred equity rights will depend on the executive's position in the Company and ranges between 25% - 50% of the total STI awarded. Deferring a proportion of the STI outcome into rights to Shares creates further alignment between the interests of shareholders and extends the focus beyond the short term.
How is STI deferred equity granted?	Any deferred component of STI awarded in relation to a financial year (Performance Year) will be delivered in the form of rights to acquire fully paid ordinary shares in the Company ('Shares') for nil consideration ('Deferred STI Rights').
How is the number of Deferred STI Rights determined?	The number of Deferred STI Rights granted in relation to any Performance Year will be determined by dividing the cash amount of the STI to be deferred by the volume weighted average price ('VWAP') of Shares for the final 10 trading days of the Performance Year (usually 10 trading days up to 30 June).
What are the performance conditions on the Deferred STI Rights?	Deferred STI Rights are designed to reward past performance and encourage retention. Once granted, ordinarily, no further performance conditions will attach to Deferred STI Rights other than the employee remaining in the Company's employment at the time of vesting.
Distribution and capital reorganisation	The number of Deferred STI Rights will be adjusted in the event of reorganisation of capital and a participant will be entitled to receive a distribution equivalent payment in the form of additional shares to the value of dividends the participant would have received during the deferral period. Deferred STI rights will not attract dividend and voting rights.
When and how do Deferred STI Rights vest?	Deferred STI Rights will vest (subject to Board discretion and satisfaction of any applicable condition) 100% after 12 months. Vesting periods will generally commence on 1 July of the year in which the Deferred STI Rights are granted. The Board may satisfy any Deferred STI Rights that vest by procuring that Shares are purchased on market and transferred or issue new Shares in the Company.
Clawback and Board discretion in relation to STI Rights	<p>The Board retains a broad discretion to:</p> <ul style="list-style-type: none"> • allow for accelerated vesting in special circumstances (e.g., death and incapacity); • determine that some or all unvested Deferred STI Rights will lapse if any situation arises that, in the Board's view should impact the assessment of performance. Such situations may include material misrepresentations and material misstatements in the Company's accounts; • allow for accelerated vesting in certain circumstances e.g. change of control event; and • determine that any Deferred STI Rights that vest are settled in cash not Shares (subject to any ASX Listing Rule or Corporations Act requirements).

LTI PLAN (PERFORMANCE RIGHTS)

How is the LTI linked to performance?	The LTI Plan for Performance Rights applies to LTI's issued on and after 1 July 2022. The objective of the Performance Rights granted pursuant to the LTIP is to create a stronger link between eligible employees' performance and reward, increasing shareholder value via the proposed LTIP. The LTI Plan forms part of the Company's performance-based remuneration system and provides "at risk" incentives based on longer term Company performance.
Offer to participate in the Plan and consideration	<p>The Board may from time to time make offers (each a Plan Offer) to an 'Eligible Person' (being, any person who is an employee (including in full-time or permanent part-time employment) or a director of, or a person who provides services to, the Company or its related bodies corporate, or any other person so designated by the Board) to participate in the Plan and receive a right to be allocated a fully paid ordinary share in the Company (Share), subject to the rules of the Plan (Share Right).</p> <p>A Plan Offer may be subject to such restrictions and conditions as the Board determines in its absolute discretion (including, in relation to the applicable expiry date, exercise period and performance criteria).</p> <p>Unless otherwise stated in the Plan Offer, a participant in the Plan (Participant) is not required to pay for a grant of Share Rights or the allocation of Shares under a Plan Offer.</p> <p>Participation in the Plan does not give the Participant a legal or beneficial interest in a Share prior to its allocation to the Participant, nor any entitlement to a Share, otherwise than in accordance with the Plan Offer and the rules of the Plan.</p>
Grant of Share Rights	<p>As soon as reasonably practicable following receipt by the Company of an Eligible Person's acceptance of a Plan Offer, the Company will, provided that the relevant person continues to be an Eligible Person, issue to the person the number of Share Rights the subject of the accepted Plan Offer.</p> <p>Share Rights will not give a Participant any right to dividends or give a Participant a right to vote. However, Shares issued, transferred or allocated (as applicable) upon a relevant Participant exercising their vested Share Rights will convey the same rights to dividends and voting as Shares in the same class.</p>
Term of Share rights	Subject to the terms of the Plan (including in relation to circumstances relating to cessation of employment), the ' Last Exercise Date ' (being, the latest date on which a Share Right may be exercised if the Share Right vests) and ' Plan Acceptable Date ' (being, the latest date on which the Company must receive a completed plan acceptance form from a relevant Participant), are determined by the Board in respect of each grant of Share Rights. The Share Rights granted have an expiry date no longer than 5 years.
Performance criteria applicable to Share Rights	<p>The Board has discretion to prescribe the conditions which must be satisfied or waived before a particular grant of Share Rights vests and becomes exercisable by the relevant Participant.</p> <p>A Share Right may only be exercised if it is a vested Share Right and it has not lapsed in accordance with the terms of the Plan.</p>
Exercise price on vested Share Rights	The Board may determine whether any exercise price must be paid by the participant on the exercise of vested Share Rights.
Allocation of Shares	If a relevant Participant opts to exercise vested Share Rights, the Company will allocate to the Participant the number of Shares to which the Participant is entitled by either (or a combination of) issuing new Shares to the Participant or procuring the transfer of Shares acquired on market to the Participant.
Cessation of Employment	<p>In the case of any "Uncontrollable Events" (including death, permanent disablement, retirement, retrenchment, or such other circumstances which result in the Participant leaving the employment of the Company or any of its related bodies corporate and which the Board determines is an uncontrollable event) resulting in a Participant's cessation of employment, the Board may determine that any unvested Share Rights either lapse or become vested Share Rights.</p> <p>If the Participant ceases employment other than because of an Uncontrollable Event, all of the Participant's unvested Share Rights will automatically lapse.</p>
Lapse of Share Rights	Share Rights may lapse in other circumstances, including where the applicable performance criteria are not wholly satisfied by the time specified in the Plan Offer (unless otherwise specified in the Plan Offer), or where the Participant commits any act of fraud, defalcation or gross misconduct in relation to the Company's, or any of its related bodies corporate's affairs.
Change of Control	If a Change of Control Event occurs, or the Board determines in its absolute discretion that a Change of Control Event is likely to occur, subject to the performance criteria applicable to unvested Share Rights, the Board will determine the appropriate treatment regarding any unvested Share Rights, which may include waiving the relevant performance criteria, replacing unvested Share Rights with rights to Shares in a new controlling entity, or causing the unvested Share Rights to lapse.
Re-organisation of capital, rights issue, dividend or other such event	Upon any re-organisation of the issued ordinary capital of the Company, the number of Share Rights, or the number of Shares allocated on the exercise of the Share Rights, or both will be reconstructed or adjusted to the extent necessary to comply with, and in accordance with, the ASX Listing Rules applying to a re-organisation of capital at the time of the reorganisation (as their application in the circumstances is affected by any waiver granted by ASX).

Key Terms of the Share Rights issued onwards from 1 July 2022	The tables below set out the material terms of Share Rights issued under the New LTIP.
Share Price Hurdle	<p>Each tranche of Share Rights vests independently of each other tranche of Share Rights.</p> <p>The Share Price Hurdles are subject to the following adjustments:</p> <ul style="list-style-type: none"> – the relevant Share Price Hurdle will be increased by 10% on each anniversary of the Start Date, commencing on the third anniversary of the Start Date; – the relevant Share Price Hurdle will be decreased by an amount determined by the Board (in its absolute discretion) to account for any dividends or return of capital; and – the relevant Share Price Hurdle will be increased or decreased (as applicable) by an amount determined by the Board (in its absolute discretion) to account for any share consolidation or other re-organisation of capital of the Company.
Performance Criteria	<p>Each tranche of Share Rights will vest on the first and any relevant subsequent date following grant date upon satisfaction of all of the following conditions:</p> <ul style="list-style-type: none"> • the price per share meets or exceeds the relevant Share Price Hurdle at the close of trade (each, a Relevant Gateway Date); • the volume weighted average price of the shares on the ASX for the preceding 1-month period meets or exceeds the relevant Share Price Hurdle at close of trading on the date that is one year thereafter each Relevant Gateway Date (each, a Relevant Anniversary Date); • Shares traded in the twelve-month period from the Relevant Gateway Date to the Relevant Anniversary Date at or above the relevant Share Price Hurdle have a cumulative market value (assessed at the time each trade was made) of \$25,000,000 or more; and • the recipient remains an employee of the Company on the vesting date. <p>Accordingly, the Share Rights granted in respect of each Tranche may be tested in relation to more than one period (i.e. in respect of successive Relevant Gateway Dates and associated Relevant Anniversary Dates) and, subject to the terms of the Plan and the Plan Offer, will vest in their entirety on the earliest Relevant Anniversary Date on which all of the vesting conditions noted above are satisfied.</p>
Share Right Exercise Price	Nil
Expiry of exercise period	<p>If a Share Right vests, then the Share Right may be exercised at any time up to the date which is the earlier of:</p> <ul style="list-style-type: none"> • three years after the Share Right vested; and • the date on which a Change of Control Event occurs or the date on which the Board makes a determination that a Change of Control Event is likely to occur.

LTI PLAN [SARS]

LTI PLAN [SARS]	The LTI plan for SARs applied to LTIs awarded prior to 1 July 2022. It will not apply to the award of LTIs after 1 July 2022.
Objective	The LTI plan aimed to align Executive remuneration with the creation of shareholder value.
How is the LTI linked to performance?	LTI vesting is linked to absolute Horizon share performance, and Horizon share performance relative to the S&P ASX 200 Energy Index.
Form of LTI grant?	<p>LTIs are awarded as performance rights, known as share appreciation rights (SARs).</p> <p>SARs vest over a three-to-five-year period on fulfilment of two performance criteria: [1] Horizon's Total Shareholder Return (TSR) must exceed 10%; and [2] Horizon's TSR must equal or exceed the S&P ASX 200 Energy Index (Index), with the level of outperformance determining the proportion of SARs that vest.</p> <p>The SAR value on vesting is calculated as the difference between the Horizon share price at allocation, and the Horizon share price at exercise. The Company may settle the SAR value in cash or shares or a combination, in the Board's absolute discretion.</p>
What are the performance measures applied to the LTI?	<p>The Board considered that the absolute and relative TSR performance hurdles effectively align the interests of Executives with Horizon's shareholders, by motivating Executives to achieve superior outcomes. TSR is a robust and transparent means of measuring shareholder returns.</p> <p>SARs vest over a three to five-year period on fulfilment of two performance criteria:</p> <p>(1) Horizon's Total Shareholder Return (TSR) must exceed 10%; and</p> <p>(2) Horizon's TSR must equal or exceed the S&P ASX 200 Energy Index, whereby the proportion of SARs that vest is calculated as follows:</p> <ul style="list-style-type: none"> – if Horizon's TSR is equal to the Index, 50% vest; – if the Company's TSR is 14% or more above the Index, 100% vest; and – if Horizon's TSR is between the Index and 14% above the Index, a percentage vest based on a linear pro-rata calculation. <p>Performance 14% above the Index equates to a performance level likely to exceed the 75th percentile of market returns of companies in the Index (weighted by company size).</p>
Performance period?	SARs will first be tested for vesting at 3 years from award; and thereafter re-tested every 6 months until 5 years from award.
What was the LTI opportunity?	<p>The former CEO had an LTI opportunity equal to 50% of TFR, and other Executives at that time had an LTI opportunity equal to 21.4% of TFR. The LTI opportunity is prescribed by the Executives' employment contracts.</p> <p>The number of SARs issued to an Executive in a relevant year is calculated by dividing the monetary value of the Executive's LTI opportunity by the fair value of a SAR at allocation. The fair value of a SAR is determined by an independent expert each year using the Black-Scholes model.</p>
Treatment of incentives on cessation of employment	On cessation of an Executive's employment, the Board may exercise its discretion to: [1] lapse all or some of the Executive's SARs; or [2] determine that some or all of the Executive's SARs which have not become exercisable, become exercisable.
When do SARs lapse?	<p>SARs will lapse:</p> <ul style="list-style-type: none"> – where the SAR has not vested, 5 years after award or such longer period necessary for the Executive to freely deal in Horizon securities in accordance with the Securities Trading Policy; – the Board exercises its discretion to lapse the SARs on cessation of employment; – the Board exercises its discretion to lapse the SARs for serious misconduct or fraud by an Executive; or – the Executive provides a notice to Horizon that they wish the SARs to lapse.
Effect of take-over or change of control of Company, death or disablement	<p>In the event of a takeover or change of control event, the Board will either have the discretion or be required (if a change of control occurs) to determine a special retesting date for vesting of Executives' SARs.</p> <p>For example, the Board will have discretion to determine a special retesting date where a takeover bid is made for the Company. In that case, the special retesting date will be the date determined by the Board. Where a statement is lodged with the ASX that a person has become entitled to acquire more than 50% of the Company, the Board will be required to determine a special retesting date, and the special retesting date will be the day the statement is lodged with the ASX.</p> <p>The SARs will vest if the performance criteria are fulfilled in relation to that special retesting date.</p>

[2.4] - Associated policies

The Group has adopted several policies to support remuneration framework and governance, including the Securities Trading Policy, Continuous Disclosure Policy and the Corporate Code of Conduct. These policies are available on the Group's website www.horizonoil.com.au.

[3] - Contractual Arrangements for Executives

Remuneration and other terms of employment for the Executives are formalised in employment contracts.

The key terms of the contractual arrangements for the CEO are summarised below:

COMPONENT	CONTRACT TERM	EXPIRY DATE	NOTICE PERIOD EMPLOYEE	NOTICE PERIOD GROUP
Chief Executive Officer R Beament	Ongoing basis	No expiration date	6 months	6 months
Termination of employment (without cause)		Payment of termination benefit on termination without cause by the Company, equal to 6 months remuneration. Pro rata STI award based on Board's reasonable assessment of Mr Beament's performance and period of employment during that STI year. Entitlement to any previously granted LTIP or deferred STI award to be dealt with in accordance with LTIP rules and the terms of offer.		
Termination of employment (with cause)		STI is not awarded. Board has discretion to lapse all SARs, Performance Rights and Deferred STI Rights.		

The key terms of the contractual arrangements for the other Executive KMPs are summarised below:

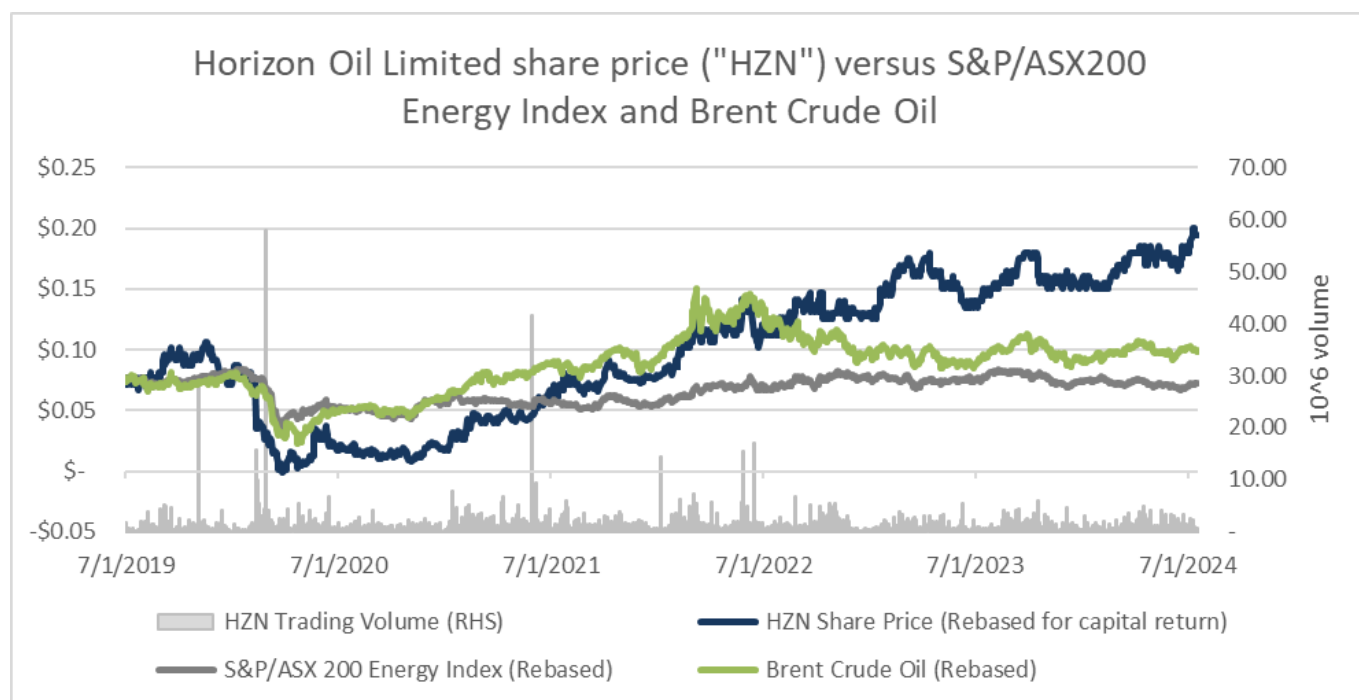
COMPONENT	CONTRACT TERM	EXPIRY DATE	NOTICE PERIOD EMPLOYEE	NOTICE PERIOD GROUP
Other Executives	Ongoing basis	No expiration date	3 months	COO - 6 months CFO - 3 months
Termination of employment (without cause)		Payment of termination benefit on termination without cause by the Company, equal to 6 months remuneration. Pro rata STI award based on Board's reasonable assessment of the executives performance and period of employment during that STI year. Entitlement to any previously granted LTIP or deferred STI award to be dealt with in accordance with LTIP rules and the terms of offer.		
Termination of employment (with cause)		STI is not awarded. Board has discretion to lapse all SARs, Performance Rights and Deferred STI Rights.		

[4] - Group Performance and Financial Year Remuneration Outcomes

[4.1] - Overview of Horizon performance

The Board aligns remuneration and performance by using 'at risk' remuneration, including STI's and LTI's. Award of STIs is dependent on overall company performance and the vesting of LTIs (SARs) occurs on fulfilment of absolute Horizon Total Shareholder Return [TSR], and Horizon TSR relative to the S&P/ASX200 Energy Index. Vesting of Performance Rights are based on the performance criteria as outlined in section 2.3.

Horizon share price performance for the current and previous four financial years is displayed in the chart below. During the 2024 Financial Year, the Horizon share price increased 29%, which when combined with the 25% distribution yield (aggregate of AUD 3.5 cents per share), results in a TSR of 54% for the financial year or approximately A\$120 million dollars of value for shareholders. Horizon's share price closed at AUD 0.18 per ordinary share on 30 June 2024.



The table below sets out information regarding the Group's performance over the last five years as required by the Corporations Act.

	FY24	FY23	FY22	FY21 ¹	FY20 ¹
Profit before tax [US\$'000]	39,185	56,989	42,739	5,178	27,300
EBITDAX [US\$'000]	71,451	103,525	73,008	36,391	51,392
Net cash/(debt) [US\$'000]	26,166	35,652	42,849	31,696	489
Capital Return [A\$ cents per share] ²	-	-	1.35	3	-
Dividend [A\$ cents per share] ²	3.0	3.5	1.65	-	-

¹ The profit before tax and EBITDAX information for the 2021 and 2022 financial years excludes profit and loss from discontinued operations as reported in the consolidated statement of profit and loss.

² Capital Returns and Dividends are declared and approved for the respective financial year shown and may be paid during the subsequent financial year.

[4.2] - Performance against STI measures for the financial year

The Executive's STI opportunity is calculated with reference to achievement of KPI targets based on a weighted scorecard approach. The following table sets out the performance conditions for the STI and their rationale for the financial year.

	KEY FOCUS AREAS	OBJECTIVE AND MEASUREMENT	RATIONALE	STATUS
FINANCIAL	Financial Metrics & Profitability	Achievement of budgeted revenue, operating costs and cashflow across the Block 22/12 and Maari/Manaia fields	Maintain and enhance operating income streams	Exceed
		Maximise profitability and cashflow		Exceed
		Maintain average Group operating costs and maintain low corporate general and administrative expenditure	Effective cost control	Exceed
OPERATIONAL	Production Optimisation	Achieve budgeted production	Maximise profitability and cashflow	Exceed
BUSINESS DEVELOPMENT	Organic growth and an opportunistic approach to inorganic growth	Focus on organic growth opportunities resulting in reserve additions	Ensure sustainability of the business and cashflow whilst creating value for shareholders	Exceed
SAFETY	HSSE	Achievement of TRIFR below NOPSEMA industry average across Horizon's assets	Promote safe operations with a safe workplace for employees	Exceed
	People & Culture	Attracting the right skills and retaining key staff	Ensure Company has the necessary resources to achieve strategic objectives	Exceed
PEOPLE, CULTURE & SUSTAINABILITY	Sustainability	Deliver on requirements of Horizon's sustainability roadmap, with enhanced reporting in accordance with TCFD guidelines	Sustainability awareness; make the right kind of impact	Exceed

Based on the KPI scorecard approved by the Board in respect of the financial year, Executives were eligible for a possible STI award equal to 100% of their total STI opportunity due to the outstanding company performance during the year.

The table below shows the STIs awarded during the financial year:

EXECUTIVE	TOTAL OPPORTUNITY US\$ ¹	% OF FIXED REMUNERATION	% AWARDED	% FORFEITED
R Beament	281,686	75%	95%	5%
G Douglas	187,989	60%	95%	5%
K Keen	98,035	50%	95%	5%

¹ The STI opportunity is calculated by translating the Executives Australian Dollar denominated TFR to United States Dollars at the prevailing spot rate on 30 June 2024. STI's awarded are settled in a combination of cash and deferred STI rights, refer to section 2.3.

[4.3] - Performance against LTI measures for the financial year

Horizon's share price performance for the current and previous four financial years is displayed in the chart under section 4.1 of this Report.

LTI awarded in respect of FY24	During the period, 1,752,233 Performance Rights were issued to K Keen. Refer to section 6.3 for further details.
Awards vesting in FY24	All Performance Rights and SARs vested and were exercised during the period. Refer to section 6.3 for further details.

[5] - Non-Executive Director Remuneration

NEDs are paid fees for services on the Board and committees and do not receive any performance-related incentives and no retirement benefits are provided other than superannuation contributions. The Remuneration and Nomination Committee reviews fees annually and the Board may also seek advice from external advisers when undertaking the review process.

NED fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. Shareholders approved the current fee pool limit of A\$600,000 at the 2009 Annual General Meeting. These fees have not changed in A\$ terms for the last ten years. Note that the remuneration table set out on page 37 shows remuneration in US\$ in line with the Group's functional currency.

The table below shows the levels for NEDs [exclusive of superannuation] for FY24.

FEES	DESCRIPTION	PER ANNUM
Board Fees	Chair	A\$160,905
	Other Non-executive Directors	A\$80,453

There were no additional fees paid to NEDs during the financial year for being members of the Board committees. The NEDs are reimbursed for expenses reasonably incurred in attending to the affairs of the Company. There are no retirement allowances in place for NEDs.

[6] - Statutory and share based reporting

[6.1] - Director remuneration for the financial year

The following table sets out the statutory disclosures required under the *Corporations Act 2001 (Cth)* and in accordance with Australian Accounting Standards remuneration for Directors for the years ended 30 June 2024 and 30 June 2023.

FINANCIAL YEAR ENDED 30 JUNE 2024 AND 2023 NON-EXECUTIVE DIRECTOR		SHORT-TERM BENEFITS CASH SALARY / BOARD FEES US\$	POST-EMPLOYMENT BENEFITS SUPERANNUATION ² US\$	TOTAL ³ US\$
M Harding	2024	104,395	11,484	115,879
	2023	108,998	11,445	120,443
S Birkenleigh	2024	52,198	5,742	57,940
	2023	54,499	5,722	60,221
G Bittar ¹	2024	52,198	5,742	57,940
	2023	54,499	5,722	60,221
B Clement	2024	52,198	5,742	57,940
	2023	54,499	5,722	60,221
N Burgess	2024	57,940	-	57,940
	2023	60,221	-	60,221
Total Non-Executive Director remuneration	2024	318,929	28,710	347,639
	2023	332,716	28,611	361,328
Total Non-Executive Director remuneration [A\$]	2024	491,568	44,249	535,817
	2023	493,388	42,429	535,817

¹ Mr Lorenzon, as alternate Director to Mr Bittar, received no fees during the current and prior financial periods.

² Superannuation includes both compulsory superannuation payments and salary sacrifice payments made on election by Directors.

³ Remuneration is paid in Australian dollars and converted to US dollars at the foreign exchange rate prevailing on the date of the transaction.

[6.2] - Statutory details of other key management personnel remuneration for the financial year

The table below outlines the remuneration of other key management personnel for the years ended 30 June 2024 and 30 June 2023.

FINANCIAL YEAR ENDED 30 JUNE 2024 AND 2023		SHORT-TERM BENEFITS				POST- EMPLOYMENT BENEFITS	TOTAL CASH OR IN-KIND BENEFIT	LONG-TERM BENEFITS	SHARE BASED PAYMENTS	TOTAL
OTHER KEY MANAGEMENT PERSONNEL		CASH SALARY & FEES ¹	CASH STIs	ANNUAL LEAVE ACCRUAL ⁴	NON- MONETARY ²	SUPER ANNUATION ³		LONG SERVICE LEAVE ACCRUAL ⁴	LONG TERM INCENTIVES ⁵	
R Beament Chief Executive Officer	2024	352,954	133,801	11,096	12,743	18,002	528,596	[25,081]	492,782	996,297
	2023	336,017	131,150	2,633	11,319	18,481	499,599	[3,744]	898,234	1,394,089
G Douglas Chief Operating Officer	2024	291,604	89,295	3,369	4,923	17,936	407,127	9,166	251,423	667,716
	2023	278,697	87,516	[8,050]	4,601	16,997	379,762	10,275	287,936	677,972
K Keen Chief Financial Officer/Assistant Co Sec	2024	175,771	69,850	4,761	3,081	17,812	271,275	4,734	329,228	605,237
	2023	167,812	54,698	1,922	2,876	16,997	244,305	17,652	54,324	316,281
Total KMP remuneration	2024	820,329	292,946	19,226	20,747	53,750	1,206,998	[11,181]	1,073,433	2,269,250
	2023	782,526	273,363	[3,495]	18,796	52,476	1,123,665	24,183	1,240,495	2,388,342
Total KMP remuneration [A\$]⁶	2024	1,253,551	442,249	29,025	31,692	82,119	1,838,636	[17,080]	1,604,118	3,425,674
	2023	1,164,415	412,313	[5,272]	27,969	78,085	1,677,510	35,985	1,826,722	3,540,216

¹ Cash Salary and Fees for the prior period have been restated to separately disclose the annual leave accrual movement, noting that the total cash or in-kind benefits did not change.

² Non-monetary benefits include the value of car parking, insurances, accommodation and other expenses inclusive of Fringe Benefits Tax ("FBT").

³ Superannuation includes both compulsory superannuation payments and salary sacrifice payments made on election by Directors and KMPs.

⁴ Reflects the movement in the annual and long service accruals between respective reporting dates.

⁵ Reflects the current period expense of the grant date value [converted to US dollars at the foreign exchange rate prevailing at that date] of Performance Rights and SARs.

⁶ Remuneration is paid in Australian dollars and converted to US dollars at the foreign exchange rate prevailing on the date of the transaction.

[6.3] - Shareholding of key management personnel

Shareholding

The following tables detail the number of shares held by KMP, either directly or indirectly or beneficially during the reporting period ended 30 June 2024:

KMP	OPENING BALANCE 1 JULY 2023	ACQUIRED DURING FY24	DISPOSED DURING FY24	RECEIVED DURING FY24 ON THE EXERCISE OF RIGHTS	CLOSING BALANCE 30 JUNE 2024
DIRECTORS					
M Harding	500,000	-	-	-	500,000
R Beament	764,488	-	-	11,188,236	11,952,724
S Birkenleigh	-	-	-	-	-
G Bittar	1,000,000	-	-	-	1,000,000
B Clement	-	-	-	-	-
N Burgess¹	314,212,423	-	-	-	314,212,423
KMP	OPENING BALANCE 1 JULY 2023	ACQUIRED DURING FY24	DISPOSED DURING FY24	RECEIVED DURING FY24 ON THE EXERCISE OF RIGHTS	CLOSING BALANCE 30 JUNE 2024
OTHER KMP					
G Douglas	120,000	-	-	5,734,604	5,854,604
K Keen	65,652	-	-	4,736,314	4,801,966

¹ Mr Burgess is a Director of Samuel Terry Asset Management Pty Ltd, the Trustee and Investment Manager of Samuel Terry Absolute Return Fund which holds the 314,212,423 shares.

Long Term Incentives

The following tables detail the number of Share Appreciation Rights, Performance Rights and Deferred STI Rights held by KMP, either directly or indirectly or beneficially during the reporting period ended 30 June 2024:

KMP	BALANCE AT START OF FINANCIAL YEAR	GRANTED AS REMUNERATION DURING FINANCIAL YEAR	DISTRIBUTION ADJUSTMENT ¹	EXERCISED DURING FINANCIAL YEAR ^{3,4}	LAPSED DURING FINANCIAL YEAR	BALANCE AT END OF FINANCIAL YEAR	VESTED AND EXERCISABLE AT END OF FINANCIAL YEAR	UNVESTED
SHARE APPRECIATION RIGHTS								
R Beament	5,556,681	-	-	(5,556,681)	-	-	-	-
G Douglas	1,550,400	-	-	(1,550,400)	-	-	-	-
PERFORMANCE RIGHTS								
R Beament	19,600,000	-	-	(19,600,000)	-	-	-	-
G Douglas	9,800,000	-	-	(9,800,000)	-	-	-	-
K Keen	7,000,000	1,752,233	-	(8,752,233)	-	-	-	-
DEFERRED STI RIGHTS								
R Beament	1,509,881	1,447,056	370,496	(1,509,881)	-	1,817,552	1,817,552	-
G Douglas	1,020,008	965,618	247,231	(1,020,008)	-	1,212,849	1,212,849	-
K Keen	184,210	201,170	51,506	(184,210)	-	252,676	252,676	-

¹ In accordance with the plan, the number of 2023 deferred STI rights held by each KMP were adjusted during the financial year for the dividend distributions paid of AUD 2.0 and AUD 1.5 cents per share.

² Subsequent to the end of the financial year, 2,090,773 deferred STI rights were issued to KMP in relation to their 2024 STI award.

³ During the period, R Beament exercised all vested SARs, Performance Rights and Deferred STI Rights resulting in the receipt of 11,188,236 HZN shares, cash of US\$596,480 paid/payable and an upward variation to his PAYG amounting to US\$931,250. G Douglas exercised all vested SARs, Performance Rights and Deferred STI Rights resulting in the receipt of 5,734,604 HZN shares, cash of US\$210,960 paid/payable and an upward variation to his PAYG amounting to US\$465,265. K Keen exercised all vested Performance Rights and Deferred STI Rights resulting in the receipt of 4,736,314 HZN shares, cash payment of US\$8,753 and an upward variation to his PAYG amounting to US\$466,575.

⁴ 100% of SAR's and Performance Rights on hand were exercised during the financial year. 100% of deferred STI rights on hand at the commencement of the financial year were exercised during the financial year.

Option holdings

Other than as noted above, no listed or unlisted options in the Company were held during the current or prior financial year by Directors and other KMP, including their personally related entities.

[6.4] - Securities Trading Policy

The Group's Securities Trading Policy applies to all Directors, other Executives, employees and their related parties and sets out the procedures and principles that apply to trading in Horizon Oil Limited securities. A copy of the Securities Trading Policy is available on the Company website www.horizonoil.com.au.

[6.5] - Other transactions with KMP

Other than as noted above, there are no other transactions between any of the KMP with any of the companies which are related to or provide services to the Group unless disclosed in this Report.

There were no loans to any of the KMP during the financial year.

[6.6] - Additional statutory information

Terms and conditions of the share-based arrangements

The terms and conditions of each grant of SARs that affected remuneration for Executive KMP in the previous and current reporting periods are as follows:

GRANT DATE	ESTIMATED EXPIRY DATE	EXERCISE PRICE ³	STRIKE PRICE ¹	VALUE PER SAR AT EFFECTIVE ALLOCATION DATE ²	DATE EXERCISED
01/07/2020	01/07/2025	Nil	A\$0.0195	A\$0.0264	31/08/2023
01/07/2021	01/07/2026	Nil	A\$0.0295	A\$0.0535	30/06/2024

¹ In accordance with the plan, the strike price of SARs held by each KMP were adjusted during the financial year for the dividend distributions paid of AUD 2.0 and AUD 1.5 cents per share.

² The value per SAR at grant date under AASB2 which has been determined by an independent expert.

³ No price is payable by a participant in the Long-Term Incentive Plan on the exercise of a SAR.

⁴ SARs will become exercisable subject to meeting vesting or performance conditions. See summary in section 2.

The terms and conditions of each grant of Performance Rights that affected or will affect remuneration for Executive KMP in the previous, current or future reporting periods are as follows:

TRANCHE	NUMBER OF RIGHTS	SHARE PRICE HURDLE (A\$) ¹	VALUE PER PERFORMANCE RIGHT AT GRANT DATE ²	DATE EXERCISED
CEO Performance Rights				
Tranche A Rights	7,000,000	0.085	A\$0.094	25/08/2023
Tranche B Rights	5,600,000	0.115	\$0.077	25/08/2023
Tranche C Rights	4,200,000	0.135	A\$0.065	25/08/2023
Tranche D Rights	2,800,000	0.155	A\$0.046	25/08/2023
COO Performance Rights				
Tranche A Rights	3,500,000	0.085	A\$0.065	25/08/2023
Tranche B Rights	2,800,000	0.115	A\$0.045	25/08/2023
Tranche C Rights	2,100,000	0.135	A\$0.038	25/08/2023
Tranche D Rights	1,400,000	0.155	A\$0.033	25/08/2023
CFO Performance Rights				
Tranche E Rights	3,500,000	0.135	A\$0.086	03/05/2024
Tranche F Rights	2,800,000	0.145	A\$0.077	03/05/2024
Tranche G Rights	907,406	0.135	A\$0.125	03/05/2024
Tranche H Rights	844,827	0.145	A\$0.121	03/05/2024

¹ In accordance with the plan, the Share Price Hurdles were adjusted to account for distributions to shareholders during the 2024 financial year. Share price hurdles were only adjusted for distributions made prior to the Performance Rights being exercised.

² The value per Performance Right at grant date is determined by an independent expert.

³ No price was payable by a participant in the Long-Term Incentive Plan on the exercise of a Performance Right.

The amounts disclosed for the remuneration of Directors and other KMP include the assessed fair values of Performance Rights granted during the financial year, at the grant date expensed over the relevant vesting period. Fair values have been assessed by an independent expert using a Monte Carlo simulation. Factors taken into account by this model include the exercise price, time to maturity, the current share price and expected price volatility of the underlying Horizon shares, the expected dividend yield and the risk-free interest rate. The value attributable to Performance Rights is allocated to particular periods in accordance with AASB 2 'Share-based Payment'.

The model inputs for each grant of Performance Rights included:

	CEO	COO	CFO - 2023	CFO - 2024
Effective allocation date	1 July 2022	1 July 2022	1 May 2023	1 May 2023
Expiry date	30 June 2027	30 June 2027	30 April 2028	30 April 2028
Grant date	16 November 2022	8 August 2022	1 May 2023	21 February 2024
Exercise price	Nil ¹	Nil ¹	Nil ¹	Nil ¹
Expected price volatility	60% p.a.	60% p.a.	60% p.a.	55% p.a.
Risk free rate	3.04% p.a.	3.42% p.a.	3.08% p.a.	3.80% p.a.
Expected dividend yield	20.00% p.a.	20.00% p.a.	20.00% p.a.	20.00% p.a.

¹ No price is payable by a participant in the Long-Term Incentive Plan on the exercise of a Performance Right. The respective hurdles prices are disclosed in section 2.3.

Details of remuneration

For each grant of Performance Rights and Deferred STI Rights issued to KMP in the current or prior financial years which results in an amount being disclosed in the Remuneration Report as a share-based payment to KMP for the financial year, the percentage of the grant that vested in the financial year and the percentage that was forfeited because the person did not meet the vesting or performance conditions is set out below.

Performance Rights are expensed over the expected vesting period. The expected vesting date and expected vesting period are determined at the date of grant and may differ from the date the Performance Rights actually vest and become exercisable. Based on the performance conditions being met, all Performance Rights on issue vested and were exercised prior to the expected vesting date. As the vesting was based on market related conditions, the rights continue to be expensed over the expected vesting period.

No Performance Rights and Deferred STI will vest if the performance conditions are not fulfilled, therefore the minimum value yet to vest is US\$Nil. The maximum value of the SARs, Performance Rights and Deferred STI yet to vest has been determined as the amount of the fair value at the grant date that is yet to be expensed. The below values have been converted to dollars at the exchange rate prevailing on the date of the grant.

PERFORMANCE RIGHTS					
NAME	FINANCIAL YEAR GRANTED	VESTED %	FORFEITED %	FINANCIAL YEAR IN WHICH PERFORMANCE RIGHTS MAY VEST	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST US\$
R Beament	2023	100%	-	Vested and exercised	7,798
G Douglas	2023	100%	-	Vested and exercised	7,943
K Keen	2023	100%	-	Vested and exercised	99,393
	2024	100%	-	Vested and exercised	74,305

DEFERRED STI RIGHTS					
NAME	FINANCIAL YEAR GRANTED	VESTED %	FORFEITED %	FINANCIAL YEAR IN WHICH DEFERRED STIs MAY VEST	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST US\$
R Beament	2023	100%	-	-	-
	2024	-	-	30/06/2025	66,900
G Douglas	2023	100%	-	-	-
	2024	-	-	30/06/2025	44,647
K Keen	2023	100%	-	-	-
	2024	-	-	30/06/2025	11,642

Dividends

The Board has declared a final dividend of AUD 1.5 cents per Ordinary share totalling approximately AUD 24.3 million. This dividend was declared as a Conduit Foreign Income (CFI) unfranked dividend and will be paid on 25 October 2024. During the financial year, the Board also declared an interim dividend of AUD 1.5 cents per Ordinary share totalling approximately AUD 24.3 million. This dividend was declared as a Conduit Foreign Income (CFI) unfranked dividend and was paid on 26 April 2024.

Insurance of Officers

During the financial year, Horizon Oil Limited paid a premium to insure the Directors and secretaries of the Company and related bodies corporate. The insured liabilities exclude conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage. The contract prohibits the disclosure of the premium paid.

The officers of the Company covered by the insurance policy include the Directors and secretaries, and other officers who are Directors or secretaries of subsidiaries who are not also Directors or secretaries of Horizon Oil Limited.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

Non-Audit Services

The Company may decide to employ PricewaterhouseCoopers on assignments additional to its statutory audit duties where the external auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to PricewaterhouseCoopers for audit and non-audit services provided during the financial year are set out below.

The Board of Directors has considered the position and, in accordance with the written advice received from the Audit Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for external auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the external auditor, as set out below, did not compromise the external auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the external auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Australian Professional Ethical Standards 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

Remuneration of external auditors

	CONSOLIDATED	
	2024 US\$	2023 US\$
During the financial year, the following fees were paid or payable for services provided by the external auditor of the parent entity and its related practices:		
PWC AUSTRALIA		
Audit and other assurance services		
Audit and review of financial reports	231,304	212,371
Other assurance services	13,417	12,649
Total auditors' remuneration	244,721	225,020

External Auditor's Independence Declaration

A copy of the external auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 43.

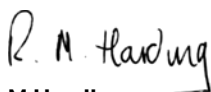
Rounding of Amounts to The Nearest Thousand Dollars

The amounts contained in this report, and in the financial report, have been rounded under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity of the kind to which the Class Order applies, and accordingly amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars or, in certain cases, to the nearest dollar.

External Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Directors.



M Harding
Chairman



R Beament
Chief Executive Officer

Sydney
28 August 2024



Auditor's Independence Declaration

As lead auditor for the audit of Horizon Oil Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Horizon Oil Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'M Upcroft'.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
28 August 2024

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Liability limited by a scheme approved under Professional Standards Legislation.

Independent auditor's report

To the members of Horizon Oil Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Horizon Oil Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

<i>Audit scope</i>	<i>Key audit matters</i>
<ul style="list-style-type: none"> Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. 	<ul style="list-style-type: none"> Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: <ul style="list-style-type: none"> Restoration provision Acquisition of Mereenie These are further described in the <i>Key audit matters</i> section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Restoration provision (Refer to note 20)</p> <p>The estimation of restoration provisions by the Group involves significant judgement in selecting methodologies and assumptions, the methodology for estimating cost and discount rates used to estimate the present value of these cash flows.</p> <p>The restoration provision was a key audit matter due to the significance of the balance and the required judgement, effort and subjectivity in performing procedures and evaluating the Group's methodology, significant assumptions and estimates.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> developed an understanding of how the Group identified the relevant methods, assumptions and sources of data that are appropriate for developing the closure plans and associated cost estimates. developed an understanding of the relevant control activities associated with developing the closure plans and associated cost estimates. assessed the appropriateness of the Group's significant assumptions used, including the reliability and relevance of the Group's key data used in the closure plans and associated cost estimates. tested the mathematical accuracy of the provision calculations and assessed whether they were in accordance with the method.

Key audit matter	How our audit addressed the key audit matter
<p>Acquisition of Mereenie (Refer to note 26)</p> <p>During the year, the Group acquired a 25% interest in Mereenie oil and gas fields ("Mereenie") for a total consideration of US\$31.96 million.</p> <p>The acquisition of Mereenie has been accounted for as a business combination and involved consideration as to the acquisition date, and the recognition and measurement of identifiable assets acquired and liabilities assumed as at that date.</p> <p>The acquisition was a key audit matter because it had a significant financial impact on the Group.</p>	<ul style="list-style-type: none"> assessed the reasonableness of the note disclosures in the financial statements for the year ended 30 June 2024 in light of the requirements of Australian Accounting Standards. <p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> obtained an understanding of the acquisition by examining key documents including the Sale/Purchase Agreement, Completion Statement, and Debt facility letter. evaluated the appropriateness of the accounting treatment of this acquisition against the requirements of AASB 3. tested the purchase consideration, including contingent payments and net working capital cash flows adjustment by agreeing them to supporting documentation. assessed the reasonableness of the note disclosures in the financial statements for the year ended 30 June 2024 in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Horizon Oil Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Marc Upcroft'.

Marc Upcroft
Partner

Sydney
28 August 2024

DIRECTORS' DECLARATION

In the directors' opinion:

- (A) the financial statements and notes are in accordance with the Corporations Act 2001 including:
- (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- (B) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable: and
- (C) the consolidated entity disclosure statement on page 54 is true and correct.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.



M Harding
Chairman



R Beament
Chief Executive Officer

Sydney
28 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		CONSOLIDATED	
	NOTE	2024 US\$'000	2023 US\$'000
REVENUE	4	111,465	152,121
Cost of sales	5	[62,909]	[81,178]
Gross profit		48,556	70,943
Other income	4	1,820	956
General and administrative expenses	5	[2,801]	[3,790]
Insurance expense	5	[2,098]	[2,000]
Exploration and development expenses written off	5	[837]	[4,549]
Impairment of intangible asset	5	-	[412]
Finance costs – interest, transaction costs, other	5	[2,934]	[3,816]
Other expenses – acquisition related transaction costs	5	[1,962]	-
Other expenses	5	[559]	[343]
Profit before income tax		39,185	56,989
NZ royalty tax expense	6a	[2,977]	[2,553]
Income tax expense	6b	[10,308]	[10,584]
Profit for the financial year		25,900	43,852
OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED TO PROFIT AND LOSS			
Changes in the fair value of cash flow hedges		[92]	10
Currency translation reserve		7	-
Total comprehensive income for the financial year		25,815	43,862
Profit attributable to:			
Security holders of Horizon		25,900	43,852
Profit for the financial year		25,900	43,852
Total comprehensive income attributable to:			
Security holders of Horizon		25,815	43,862
Total comprehensive income for the financial year		25,815	43,862
Earnings per share for profit attributable to ordinary equity holders of Horizon:		US cents	US cents
Basic earnings per ordinary share	39a	1.60	2.74
Diluted earnings per ordinary share	39b	1.58	2.66

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		CONSOLIDATED	
	NOTE	2024 US\$'000	2023 US\$'000
CURRENT ASSETS			
Cash and cash equivalents	7	52,570	43,591
Receivables	8	7,399	18,351
Inventories	9	9,531	2,953
Derivative financial instruments	10	-	24
Other assets	11	538	547
Intangible assets	12	843	1,028
Total current assets		70,881	66,494
NON-CURRENT ASSETS			
Investments	13	1,351	1,351
Deferred tax assets	14	13,107	10,591
Plant and equipment	15	190	355
Oil and gas assets	16	119,747	104,707
Total non-current assets		134,395	117,004
Total assets		205,276	183,498
CURRENT LIABILITIES			
Payables	17	23,849	13,405
Current tax payable	18	3,952	7,058
Borrowings	19	2,703	7,912
Derivative financial instruments	10	105	-
Total current liabilities		30,609	28,375
NON-CURRENT LIABILITIES			
Payables	17	2,560	424
Deferred tax liabilities	21	4,253	5,044
Borrowings	19	23,152	-
Provisions	20	61,459	53,879
Total non-current liabilities		91,424	59,347
Total liabilities		122,033	87,722
Net assets		83,243	95,776
EQUITY			
Contributed equity	22	150,095	147,792
Reserves	23a	7,241	11,122
Accumulated losses	23b	[146,859]	[123,595]
Profit reserve	23c	72,766	60,457
TOTAL EQUITY		83,243	95,776

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

ATTRIBUTABLE TO MEMBERS OF HORIZON						
		CONTRIBUTED EQUITY	RESERVES	ACCUMULATED LOSSES	PROFIT RESERVE ¹	TOTAL EQUITY
	NOTE	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
BALANCE AS AT 1 JULY 2022		159,343	12,093	[96,536]	24,326	99,226
Profit/(loss) for the financial year		-	-	[27,059]	70,911	43,852
Changes in the fair value of cash flow hedges		-	10	-	-	10
Total comprehensive income for the financial year		-	10	[27,059]	70,911	43,862
Transactions with owners in their capacity as equity holders:						
Employee share-based payments expense	23a	-	1,369	-	-	1,369
Settlement of exercised options	23a	-	[3,148]	-	-	[3,148]
Ordinary shares issued, net of cost		2,296	-	-	-	2,296
Acquisition of treasury shares	23a	-	[2,387]	-	-	[2,387]
Issue of treasury shares	23a	-	3,174	-	-	3,174
Capital return		[13,847]	3	-	-	[13,844]
Dividends		-	8	-	[34,780]	[34,772]
Balance as at 30 June 2023		147,792	11,122	[123,595]	60,457	95,776
BALANCE AS AT 1 JULY 2023		147,792	11,122	[123,595]	60,457	95,776
Profit/(loss) for the financial year		-	-	[23,264]	49,164	25,900
Changes in the fair value of cash flow hedges		-	[92]	-	-	[92]
Movement in currency translation reserve		-	7	-	-	7
Total comprehensive income for the financial year		-	[85]	[23,264]	49,164	25,815
Transactions with owners in their capacity as equity holders:						
Employee share-based payments expense	23a	-	1,203	-	-	1,203
Settlement of performance rights & SAR's	23a	-	[4,999]	-	-	[4,999]
Ordinary shares issued, net of cost		2,303	-	-	-	2,303
Dividends		-	-	-	[36,855]	[36,855]
Balance as at 30 June 2024		150,095	7,241	[146,859]	72,766	83,243

¹ The profit reserve balance reflects the Parent entity's retained earnings, with the residual Group profit/loss reflected in the accumulated losses reserve.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	CONSOLIDATED		
	NOTE	2024 US\$'000	2023 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		123,821	151,903
Payments to suppliers and employees		[38,242]	[52,099]
		85,579	99,804
Interest received		1,782	888
Interest paid		[576]	[1,978]
Income and royalty taxes paid		[20,682]	[26,754]
Acquisition related transaction costs		[1,886]	-
Net cash inflow from operating activities	38	64,217	71,960
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration phase expenditure		-	[4,618]
Payments for oil and gas assets		[9,684]	[26,318]
Payment for acquisition of 25% interest in Mereenie OL4 & OL5 assets		[26,317]	-
Payments for plant and equipment		[12]	-
Payments for financial asset through other comprehensive income		-	[1,351]
Net cash outflow from investing activities		[36,013]	[32,287]
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		26,317	20,000
Transaction costs incurred on borrowings		[553]	[235]
Repayment of borrowings		[7,939]	[13,298]
Payments under leasing arrangements		[183]	[214]
Proceeds from new share issue (net of costs)		2,302	2,296
Payments for shares acquired by the Trust		[2,313]	[2,304]
Return of capital to shareholders		-	[13,679]
Dividends paid to shareholders		[36,855]	[32,892]
Net cash outflow from financing activities		[19,224]	[40,326]
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,980	[653]
Cash and cash equivalents at the beginning of the financial year		43,591	44,086
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies		[1]	158
Cash and cash equivalents at the end of the financial year	7	52,570	43,591

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR JV PARTICIPANT	% OF SHARE CAPITAL	COUNTRY OF INCORPORATION	AUSTRALIAN RESIDENT OR FOREIGN RESIDENT	FOREIGN JURISDICTION
Horizon Oil Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A
Horizon Oil International Limited	Body Corporate	JV Participant ¹	100	New Zealand	Foreign	New Zealand
Horizon Oil International Holdings Limited	Body Corporate	N/A	100	BVI	Foreign	BVI
Horizon Oil (Beibu) Limited	Body Corporate	JV Participant ²	100	BVI	Foreign	China
Horizon Oil (China Holdings) Limited	Body Corporate	N/A	100	BVI	Foreign	BVI
Horizon Oil Employee Incentive Trust	Trust	N/A	N/A	N/A	N/A	N/A
Horizon Australia Investments Pty Limited	Body Corporate	N/A	100	Australia	Australian	N/A
Horizon Australia Energy Pty Limited	Body Corporate	JV Participant ³	100	Australia	Australian	N/A

¹ JV participant in oil license offshore New Zealand.

² JV Participant in oil license offshore China.

³ JV Participant in oil and gas licenses in Australia.

Notes to the consolidated Financial Statements

Note 1 Summary of Material Accounting Policies

A summary of the material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied, unless otherwise stated. The financial statements are for the consolidated entity consisting of Horizon Oil Limited and its subsidiaries (the 'Group'). For the purposes of preparing the financial statements, the consolidated entity is a for profit entity.

The nature of the operations and principal activities for the Group are described in the Directors' Report.

A. Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The consolidated financial statements comply with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

B. Basis of preparation

These financial statements are presented in United States dollars and have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss, or other comprehensive income where hedge accounting is adopted.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly amounts in the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The general purpose financial statements for the year ended 30 June 2024 have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the normal course of business as they become due. At the date of this report, the directors are of the opinion that no asset is likely to be realised for amounts less than the amount at which it is recorded in the financial report as at 30 June 2024. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

New and amended standards adopted by the Group

There were no new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that were relevant to its operations and effective for the financial year ended 30 June 2024.

There are no other Australian Accounting Standards that are not yet effective and that are expected to have a material impact on the Group in the current or future financial years.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Changes in accounting estimates

A review of the Group's accounting estimates has not affected items recognised in the financial statements for the financial year ended 30 June 2024, except as disclosed in Note 2.

C. Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Horizon Oil Limited (the 'Company' or 'Parent Entity') as at 30 June 2024 and the results of all subsidiaries for the financial year then ended. Horizon Oil Limited and its subsidiaries together are referred to in these financial statements as 'the Group'.

Subsidiaries are those entities (including special purpose entities) over which the Group has control. Control exists when the Company is exposed to, or has the rights to, variable returns from its involvement and has the ability to affect those returns through its power over that entity. There is a general presumption that a majority of voting rights results in control. The

existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group [refer to Note 1(M)]. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the respective parent entity. These investments may have subsequently been written down to their recoverable amount determined by reference to the net assets of the subsidiaries as at 30 June each financial year where this is less than cost.

Joint operations

A joint operation is a joint arrangement whereby the participants that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises assets, liabilities, revenues and expenses according to its share in the assets, liabilities, revenues and expenses of a joint operation or similar as determined and specified in contractual arrangements (Joint Operating Agreements). Details of major joint operation interests and the sum of the Group's interests in joint operation assets, liabilities, revenue and expenses are set out in Note 28.

Where part of a joint operation interest is farmed out in consideration of the farmee undertaking to incur further expenditure on behalf of both the farmee and the entity in the joint operation area of interest, exploration expenditure incurred and carried forward prior to farm-out continues to be carried forward without adjustment, unless the terms of the farm-out are excessive based on the diluted interest retained. An impairment provision is then made to reduce exploration expenditure to its estimated recoverable amount. Any cash received in consideration for farming out part of a joint operation interest is recognised in the profit or loss.

D. Crude oil and gas inventory and materials in inventory

Crude oil and gas inventories, produced but not sold, are valued at the lower of cost and net realisable value. Cost comprises a relevant proportion of all fixed and variable production, overhead, restoration and amortisation expenses and is determined on an average cost basis.

Stocks of materials inventory, consumable stores and spare parts are carried at the lower of cost and net realisable value, with cost primarily determined on a weighted average cost basis.

E. Operating segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

F. Foreign currency translation

[i] Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the 'functional currency'). The consolidated financial statements are presented in United States dollars, which is Horizon's presentation currency. Horizon has selected United States dollars as its presentation currency for the following reasons:

- (a) a significant portion of Horizon's activity is denominated in United States dollars; and
- (b) it is widely understood by Australian and international investors and analysts.

[ii] Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are

generally recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

[iii] Group companies

All Group subsidiaries, except for Horizon Australia Energy Pty Ltd have a functional currency of United States dollars. Horizon Australia Energy Pty Ltd has a functional currency of Australian dollars (AUD). The results and financial position of this entity has a functional currency different from the presentation currency and is translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

G. Revenue recognition

Revenue arises from the sale of crude oil and gas. To determine whether to recognise revenue, the Group follows a 5-step process:

- [1] - Identifying the contract with a customer;
- [2] - Identifying the performance obligations;
- [3] - Determining the transaction price;
- [4] - Allocating the transaction price to the performance obligations; and
- [5] - Recognising revenue when/as performance obligation(s) are satisfied.

The Group enters into sales transactions involving two products. The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods to its customers.

Revenue from Block 22/12, China, is derived over a period in time as the crude oil produced continuously flows through a metered pipeline. The metered monthly production is invoiced at the end of each month, in accordance with a monthly sales contract, and revenue recognised for the month of production. At the end of each month, once billing occurs and revenue is recognised, there are no unsatisfied performance obligations or variable revenue requiring estimation.

Revenue from the Maari/Manaia fields, New Zealand, is derived at a point in time as the crude oil produced is stored and sold in individual liftings which are pursuant to individual sales contracts. Each lifting is invoiced in accordance with the respective contract and revenue recognised based on the bill of lading date associated with the lifting. Once the lifting is complete there are no unsatisfied performance obligations or variable revenue requiring estimation.

Revenue from Mereenie, Australia, is derived at a point in time based on volumes sold under contracts with customers. Performance obligations are met when the product, either gas or oil is delivered to a specified measurement point (gas) or the point of load-out from third party storage facilities (liquids/oil). Upon completion there are no unsatisfied performance obligations or variable revenue requiring estimation.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

H. Taxation

[i] Income tax

The income tax expense or revenue for the reporting period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

[ii] Government royalties

Government royalties are treated as taxation arrangements when they are imposed under Government authority and when the calculation of the amount payable is derived from a measure of profit that falls within the definition of 'taxable profit' for the purposes of AASB 112 *Income Taxes*. Current and deferred tax is then provided on the same basis as described in (i) above. Royalty arrangements that do not meet the criteria for treatment as a tax are recognised on an accruals basis.

I. Leases

The Group leases an office in Sydney and various equipment, with rental contracts typically taken out for fixed periods of 12 months to 3 years. These contracts do not have a reasonably certain extension option and may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis, and do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 4.5%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost and are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

J. Impairment of assets

Assets are reviewed for impairment at each reporting date to determine whether there is any indication of impairment. If an impairment indicator exists a formal estimate of the recoverable amount is calculated. Intangible assets with an indefinite useful life are assessed for impairment regardless of whether there are any indicators of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets ('cash-generating units').

In assessing the recoverable amount, an asset's estimated future pre-tax cash flows are discounted to their present value using an pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Exploration phase expenditure is assessed for impairment in accordance with Note1[N].

K. Cash and cash equivalents

For presentation purposes in the statement of cash flows, cash and cash equivalents includes cash at banks and on hand (including share of joint operation cash balances), deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

L. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days from the date of recognition. They are included in current assets, except for those with maturities greater than one year after the end of the reporting period which are classified as non-current assets.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical rates are adjusted to reflect current and forward-looking information on key factors affecting the ability of the customers to settle the receivables. Management assesses the collectability of these amounts based on the customer relationships and historical payment behaviour.

M. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities assumed, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

For purchase combinations which do not constitute the acquisition of a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed. The consideration paid is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Acquisition related costs are capitalised.

N. Exploration phase expenditure

Exploration phase expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. The successful efforts method requires all exploration phase expenditure to be expensed in the period it is incurred, except the costs of successful wells, the costs of acquiring interests in new exploration assets and pre-development costs where there is a high degree of probability that the development will go ahead, which are capitalised. Costs directly associated with the drilling of exploration wells and any associated geophysical and geological costs are initially capitalised pending determination of whether potentially economic reserves of hydrocarbons have been discovered. Business development costs such as the review of farm in opportunities and bid rounds are expensed in the period in which they are incurred. Areas of interest are recognised at the cash-generating unit level, being the smallest grouping of assets generating independent cash flows which usually is represented by an individual oil or gas field.

When an oil or gas field has been approved for development, the capitalised exploration phase expenditure is reclassified as oil and gas assets in the statement of financial position. Prior to reclassification, capitalised exploration phase expenditure is assessed for impairment.

Where an ownership interest in an exploration and evaluation asset is purchased, any cash consideration paid net of transaction costs is treated as an asset acquisition. Alternatively, where an ownership interest is sold, any cash consideration received net of transaction costs is treated as a recoupment of costs previously capitalised, with any excess accounted for as a gain on disposal of non-current assets.

Impairment of capitalised exploration phase expenditure

Exploration phase expenditure is reviewed for impairment semi-annually in accordance with the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. The carrying value of capitalised exploration phase expenditure is assessed for impairment at the asset or cash-generating unit level (which usually is represented by an exploration permit or licence) whenever facts and circumstances (as defined in AASB 6) suggest that the carrying amount of the asset may exceed its recoverable amount. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written-down to its recoverable amount. Impairment losses are recognised as an expense in profit or loss.

Capitalised exploration phase expenditure that suffered impairment is tested for possible reversal of the impairment loss whenever facts or changes in circumstances indicate that the impairment may have reversed.

O. Oil and gas assets

[i] Development expenditure

Development expenditure is stated at cost less any accumulated impairment losses. Development expenditure incurred by or on behalf of the Group is accumulated separately for fields in which proven and probable hydrocarbon reserves have been identified to the satisfaction of directors. Such expenditure comprises direct costs and overhead expenditure incurred which can be directly attributable to the development phase or is acquired through the acquisition of a permit.

Once a development decision has been taken on an oil or gas field, the carrying amount of the relevant exploration and evaluation expenditure in respect of the relevant area of interest is aggregated with the relevant development expenditure.

Development expenditure is reclassified as 'production assets' at the end of the commissioning phase, when the oil or gas field is capable of operating in the manner intended by management (that is, when commercial levels of production are capable of being achieved).

Development expenditure is tested for impairment in accordance with the accounting policy set out in Note 1[J].

[ii] Production assets

When further development costs are incurred in respect of a production asset after the commencement of production, such expenditure is carried forward as part of the production asset when it is probable that additional future economic benefits associated with the expenditure will flow to the Group. Otherwise such expenditure is classified as production expense in income statements when incurred.

Production assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Once commercial levels of production commence, amortisation is charged using the unit-of-production method. The unit-of-production method results in an amortisation expense proportional to the depletion of proven and probable hydrocarbon reserves for the field. Production assets are amortised by area of interest in the proportion of actual production for the financial period to the proven and probable hydrocarbon reserves of the field.

The cost element of the unit-of-production calculation is the capitalised costs incurred to date for the field together with the estimated / anticipated future development costs (stated at current financial period-end using unescalated prices) of obtaining access to all the proven and probable hydrocarbon reserves included in the unit-of-production calculation.

Production assets are tested for impairment in accordance with the accounting policy set out in Note 1[J].

[iii] Restoration provision

The estimated costs of decommissioning and removing an asset and restoring the site are included in the cost of the asset as at the date the obligation first arises and to the extent that it is first recognised as a provision. This asset is subsequently amortised on a unit-of-production basis.

The corresponding provision is reviewed at the end of each reporting period. The provision is measured at the best estimate of the present value amount required to settle the present obligation at the end of the reporting period, based on current legal and other requirements and technology, discounted where material using market yields at the balance sheet date on Treasury bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

Where there is a change in the expected restoration, rehabilitation or decommissioning costs, an adjustment is recorded against the carrying value of the provision and any related restoration asset, and the effects are recognised in profit or loss on a prospective basis over the remaining life of the operation.

The unwinding of the effect of discounting on the restoration provision is included within finance costs in profit or loss.

[iv] Reserves

The estimated reserves include those determined on an annual basis by Mr Gavin Douglas, Chief Operating Officer of Horizon. Mr Douglas is a full-time employee of Horizon and is a member of the American Association of Petroleum Geologists. 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. The reserve estimates are determined by Mr Douglas based on assumptions, interpretations, and assessments. These include assumptions regarding commodity prices, foreign exchange rates, operating costs and capital expenditures, and interpretations of geological and geophysical models to make assessments of the quantity of hydrocarbons and anticipated recoveries.

P. Investments and other financial assets

Subsidiaries are accounted for in the consolidated financial statements as set out in Note 1[C].

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

The Group classifies other financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or profit or loss), and
- those to be measured at amortised cost

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Equity instruments

At initial recognition, Group's management has elected to measure its equity instruments at fair value through other comprehensive income (FVOCI). The group subsequently measures all equity investments as fair value. Where the group's management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Q. Plant and equipment

The cost of improvements to, or on, leasehold property is depreciated over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is shorter.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- | | |
|-------------------------------------|--------------|
| – Computer equipment | 3 – 4 years |
| – Furniture, fittings and equipment | 3 – 10 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

R. Intangible assets

[i] New Zealand carbon credits

New Zealand carbon credits, also referred to as New Zealand Units (NZUs) are acquired through the Environmental Protection Authority and surrendered to the New Zealand Government for the Group's proportionate share of the Maari/Manaia fields direct greenhouse gas emissions for the calendar year. The NZUs are valued at cost and do not expire.

NZUs are not amortised but are tested for impairment in accordance with the accounting policy set out in Note 1[J].

S. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Due to their short-term nature they are not discounted. The amounts are unsecured and are usually paid within

30 days of recognition. They are included in current liabilities, except for those with maturities greater than one year after the end of the reporting period which are classified as non-current liabilities.

T. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; [1] hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or [2] hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges). The Group currently does not have any derivatives designated as fair value hedges.

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of derivative financial instruments used for hedging purposes are disclosed in Note 10. Movements in the hedging reserve in equity are shown in Note 23[A].

[i] Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are recycled to profit or loss in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within "finance costs". The gain or loss relating to the effective portion of forward foreign exchange contracts and commodity price contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss.

[ii] Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

U. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities which are not an incremental cost relating to the actual drawdown of the facility, are recognised as prepayments (netted against the loan balance) and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

V. Borrowing costs

Borrowing costs which includes the costs of arranging and obtaining financing, incurred for the acquisition or construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed when incurred.

No borrowing costs (2023: US\$Nil) were capitalised during the current financial year and the amount of borrowing costs amortised to the income statement were US\$709,199 (2023: US\$1,001,234).

W. Employee benefits

[i] Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and related on-costs expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are recognised in other payables.

[ii] Long service leave

The liability for long service leave is recognised as a provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

[iii] Share-based payments

Share-based payment compensation benefits are provided to employees and consultants via the Horizon Long-Term Incentive Plan, the Horizon Employee Option Scheme, and the General Option Plan. Information relating to these schemes is set out in Note 32.

The fair value of performance rights and share appreciation rights ('SARs') granted under the Horizon Long-Term Incentive Plan and Horizon Employee Option Scheme are recognised as an employee share-based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the performance rights and SARs granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions. Non-market performance vesting conditions are included in assumptions about the number of performance rights and SARs that are expected to vest.

The fair value is measured at grant date. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of performance rights and SARs that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The fair value at grant date is independently determined using either a Black-Scholes or Monte Carlo simulation option pricing model that takes into account the exercise price, the term of the option or SAR, the impact of dilution, the share price at effective allocation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right or SAR.

The Company has elected to retain any amounts originally recognised in the share-based payments reserve, regardless of whether the associated performance rights are cancelled or lapse unexercised.

The Horizon Oil Employee Incentive Trust administers the Long-Term Incentive Plan and Horizon Oil Employee Option Scheme. The Horizon Oil Employee Incentive Trust is consolidated in accordance with the principles in Note 1[C].

Where the Horizon Oil Employee Incentive Trust purchases the company's equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity reserves. When an employee exercises performance rights pursuant to the Long-Term Incentive Plan or Employee Option Scheme, and the Board resolves to settle in shares, the Horizon Oil Employee Incentive Trust transfers the appropriate amount of shares to the employee.

X. Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options over unissued ordinary shares are shown in share capital as a deduction, net of related income tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration but are expensed.

Where the Group purchases the company's equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity

attributable to the owners of Horizon as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Horizon.

Y. Earnings per share

[i] Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

[ii] Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are considered dilutive only when their conversion to ordinary shares would decrease earnings per share, or increase loss per share, from continuing operations.

Z. Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

AA. Parent entity financial information

The financial information for the parent entity, Horizon Oil Limited, disclosed in Note 40, has been prepared on the same basis as the consolidated financial statements, except as set out below.

[i] Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Horizon Oil Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

[ii] Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Note 2 Critical accounting estimates and judgements

This section considers estimates and judgements which are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

A. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities relate to:

[i] Exploration and evaluation assets

The Group's policy for exploration and evaluation expenditure is discussed in Note 1[N]. The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and

assumptions include whether commercially viable reserves have been found and whether the capitalised exploration and evaluation expenditure will be recovered through future exploitation or sale.

[ii] Reserve estimates

The estimated quantities of proven and probable hydrocarbons reported by the Group are integral to the calculation of amortisation expense (depletion), assessments of impairment of assets, provision for restoration and the recognition of deferred tax assets due to changes in expected future cash flows. Reserve estimates require interpretation of complex and judgemental geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoir, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Reserve estimates are prepared in accordance with guidelines prepared by the Society of Petroleum Engineers.

[iii] Provisions for restoration

The Group estimates the future removal and restoration costs of petroleum production facilities, wells, pipelines and related assets at the time of installation of the assets and reviews these assessments periodically. In most instances the removal of these assets will occur well into the future. The estimate of future removal costs therefore requires management to make judgements around the timing of the required restoration, rehabilitation and decommissioning activities, as well as the discount rate. The carrying amount of the provision for restoration is disclosed in Note 20.

New Zealand, Maari Restoration

During the financial year the Group revised the discount, inflation and foreign exchange rates used in quantifying the New Zealand restoration provision. The resultant effect is decrease in the restoration provision and rehabilitation asset of US\$1.3 million.

Australia, Mereenie Restoration

During the financial year, following the acquisition of 25% interest in the Mereenie oil and gas fields, the Group recognised US\$7.0 million future costs of restoring the operating sites at Mereenie.

[iv] Impairment of oil and gas assets

The Group assesses whether its oil and gas assets are impaired on a semi-annual basis when an indicator of impairment is present. This includes an estimation of the recoverable amount of the cash generating unit to which each asset belongs. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. The fair value less cost to sell is assessed on the basis of the estimated net cash flows that will be received from the asset's continued employment and subsequent disposal. The estimated future cash flows are based on estimates of hydrocarbon reserves, future production profiles, commodity prices, operating costs and future development costs necessary to access the reserves. Current climate change legislation is also factored into the estimated future cashflows and future uncertainty created by climate change risks continue to be monitored. In most cases, the present value of future cashflows is most sensitive to estimates of future oil price, reserves, and production rates.

[v] Share-based payments

Share-based payment transactions with directors and employees are measured by reference to the fair value of the share performance rights and employee options at the date they were granted. The fair value is ascertained using an appropriate pricing model, being either the Black-Scholes or Monte Carlo simulation, depending on the terms and conditions upon which the share performance rights and employee options were granted. The Group also applies assumptions around the likelihood of the share performance rights or options vesting which will have an impact on the expense and equity recorded in the financial year. The number of share performance rights and employee options outstanding are disclosed in Note 32.

[vi] Recoverability of deferred tax assets

The recoverability of deferred tax assets is based on the probability that future taxable amounts will be available to utilise those temporary differences and losses. The Group has not recognised deferred tax assets in respect of some tax losses and temporary tax differences at this point in time. Whilst the recently acquired Mereenie gas field is expected to generate future Australian taxable income for the Australian tax consolidated group, the recognition of these tax losses as deferred tax assets will be reassessed once longer-term income and expenditure information from the acquisition is available to the Company.

Assessing the future utilisation of tax losses and temporary tax differences requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future utilisation of these tax losses and temporary

tax differences becomes probable, this could result in significant changes to deferred tax assets recognised, which would in turn impact future financial results.

B. Critical judgements in applying the Group's accounting policies

No critical judgements considered to have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year were made during the preparation of this report.

Note 3 Segment information

A. Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

The operating segments identified are broadly based on the Group's working interest in each individual oil and gas permit, arranged by developmental phase. Discrete pre-tax financial information (including pre-tax operating profit and capital expenditure on exploration and evaluation assets and oil and gas assets) for each oil and gas permit is prepared and provided to the chief operating decision maker on a regular basis. In certain circumstances, individual oil and gas permits are aggregated into a single operating segment where the economic characteristics and long-term planning and operational considerations of the individual oil and gas permits are such that they are considered interdependent. The Group has identified three operating segments:

- China development – the Group is currently involved in developing and producing crude oil from the Block 22/12 – WZ6-12, WZ12-8W and WZ12-8E oil field developments and in the exploration and evaluation of hydrocarbons within Block 22/12;
- New Zealand development – the Group is currently involved in developing and producing crude oil from the Maari/Manaia oil field development; and
- Australia development – the Group is currently involved in developing and producing oil and gas from the Mereenie OL4 and OL5 oil and gas fields.

B. Segment information provided to the chief operating decision maker

2024	CHINA DEVELOPMENT US\$'000	NEW ZEALAND DEVELOPMENT US\$'000	AUSTRALIA DEVELOPMENT US\$'000	UNALLOCATED US\$'000	TOTAL US\$'000
SEGMENT INFORMATION:					
Revenue from external customers	76,832	34,243	390	-	111,465
Profit/(loss) before tax	32,434	8,041	[2,226] ¹	936	39,185
Depreciation and amortisation	[16,120]	[13,899]	[120]	[177]	[30,316]
Total segment assets as at 30 June 2024	49,682	71,958	43,584	40,052	205,276
<i>Additions to non-current assets other than financial assets and deferred tax during the financial year ended:</i>					
Production phase expenditure (including purchase price of Mereenie)	5,815	2,538	31,109	-	39,462
Plant and equipment	-	-	-	12	12
Total segment liabilities as at 30 June 2024	18,764	61,242	40,013	2,014	122,033

¹ Inclusive of acquisition related expenses of US\$1.9 million.

2023	CHINA EXPLORATION & DEVELOPMENT US\$'000	NEW ZEALAND EXPLORATION & DEVELOPMENT US\$'000	UNALLOCATED US\$'000	TOTAL US\$'000
SEGMENT INFORMATION:				
Revenue from external customers	116,657	35,464	-	152,121
Profit/(loss) before tax	52,820	5,434	[1,265]	56,989
Depreciation and amortisation	[28,428]	[10,072]	[215]	[38,715]
Total segment assets as at 30 June 2023	69,048	84,754	29,696	183,498
<i>Additions to non-current assets other than financial assets and deferred tax during the financial year ended:</i>				
Exploration, development and production phase expenditure	17,724	3,744	-	21,468
Plant and equipment	-	-	522	522
Total segment liabilities as at 30 June 2023	26,177	60,092	1,453	87,722

C. Other segment information

[i] Segment revenue

The Group's revenue is derived from the sale of crude oil produced in China, New Zealand and Australia and the sale of gas produced in Australia. The Group sells to external customers through sales agreements with the respective joint venture operators in China and New Zealand (CN00C and OMV) who market and on-sell crude oil to external customers, for which the Group is charged a marketing fee stipulated by the sales agreements. In Australia, the Group sells to external domestic customers through individual sales contracts.

Reportable segment revenues are equal to consolidated revenue.

[ii] Segment profit before tax

The chief operating decision maker assesses the performance of operating segments based on a measure of profit before tax.

Segment profit before tax is equal to consolidated profit before tax.

[iii] Segment assets

The amounts provided to the chief operating decision maker with respect to total assets are measured in a manner consistent with that of the financial statements.

Reportable segment assets are equal to consolidated total assets.

[iv] Segment liabilities

The amounts provided to the chief operating decision maker with respect to total liabilities are measured in a manner consistent with that of the financial statements.

Reportable segment liabilities are equal to consolidated total liabilities.

Note 4 Revenue

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
FROM CONTINUING OPERATIONS		
Crude oil sales	111,214	150,565
Gas sales	390	-
Net realised gain/(loss) on oil hedging derivatives	[139]	1,556
	111,465	152,121
OTHER INCOME		
Interest received from unrelated entities	1,820	956
	1,820	956

Revenue for the financial year ended 30 June 2024 relates to contracts executed for the sale of crude oil and gas, and all performance obligations have been met within the period. There is no variable consideration requiring estimation for the year ended 30 June 2024.

The Group did not have contracts that were executed in a prior period, whereby the performance obligations were partially met at the beginning of the period. There are no existing contracts that are unsatisfied or partially unsatisfied as at 30 June 2024.

The Group's revenue disaggregated by primary geographical markets is reported in Note 3 – Segment information.

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
CRUDE OIL SALES		
Goods transferred at a point in time	77,222	35,464
Goods transferred over a period of time	34,243	116,657
	111,465	152,121

Note 5 Expenses

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
COST OF SALES		
Direct production costs	31,113	32,656
Inventory adjustments ¹	[4,842]	888
Amortisation expense	30,139	38,500
Royalties and other levies	6,499	9,134
	62,909	81,178
¹ Adjustment for the cost of inventory produced which is on hand as at the end of the financial period.		
GENERAL AND ADMINISTRATIVE EXPENSES		
Employee benefits expense	533	1,346
Employee share options expense	1,203	1,369
Corporate office expense	883	847
Depreciation expense	177	215
Rental expense relating to operating leases	5	13
	2,801	3,790
INSURANCE EXPENSE		
Insurance expense (including Loss of Production Income insurance)	2,098	2,000
	2,098	2,000
EXPLORATION AND DEVELOPMENT EXPENSES		
Exploration and development expenditure written off	837	4,549
	837	4,549
IMPAIRMENT EXPENSE		
Impairment of carbon credits ²	-	412
	-	412
² During the previous period, the Company assessed the recoverability of the New Zealand carbon units and recorded an impairment expense.		
FINANCING COSTS		
Interest and finance charges	719	2,034
Discount unwinding on provision for restoration	2,182	1,542
Amortisation of prepaid financing costs	33	240
	2,934	3,816
OTHER EXPENSES		
Net foreign exchange loss	556	338
Other expenses	3	5
Non-recurring acquisition related expenses	1,962	-
	2,521	343

Note 6 Income tax expense

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
(a) Royalty tax expense (benefit)		
Royalty paid / payable in New Zealand – current tax expense	4,165	3,984
Tax benefit related to movements in deferred tax balances	[1,188]	[1,431]
Total royalty tax expense	2,977	2,553
(b) Income tax expense		
Current tax expense	12,664	20,264
Tax benefit related to movements in deferred tax balances	[2,090]	[10,536]
Adjustments for current tax of prior periods	[266]	856
Total income tax expense	10,308	10,584
Deferred income tax benefit included in income tax expense comprises:		
(Increase) in deferred tax assets	[878]	[4,608]
(Decrease) in deferred tax liabilities	[1,212]	[5,928]
Total deferred income tax (benefit)	[2,090]	[10,536]

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
(c) Numerical reconciliation between profit before tax and tax expense / (benefit)		
Profit from continuing operations before income tax	39,185	56,989
Less: Royalty paid / payable	[4,165]	[3,984]
	35,020	53,005
Tax at the Australian tax rate of 30% (2023: 30%)	10,506	15,902
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Expenditure not allowed for income tax purposes	108	1,816
Other deductible items	-	[5,531]
Other assessable items	1,247	-
	11,861	12,187
Effect of overseas tax rates	[1,708]	[2,539]
Deferred tax asset not brought to account	430	77
Tax paid on non-resident insurance premiums	-	3
Adjustments for current tax of prior periods	[275]	856
Income tax expense	10,308	10,584
Royalty tax expense	2,977	2,553
Total tax expense recognised in statement of profit or loss	13,285	13,137

(d) Amounts recognised in other comprehensive income

Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited to other comprehensive income.

Deferred tax: Changes in fair value of cash flow hedges	[36]	11
Total tax expense / [benefit] recognised in other comprehensive income	[36]	11

(e) Tax losses

Unused tax losses [and applicable tax rate] for which no deferred tax asset has been recognised:

Horizon Oil Limited – 30% [2023: 30%]	4,767	2,742
Potential tax benefit at applicable tax rates	4,767	2,742

The Company also did not recognise further deferred income tax assets of US\$432,996 [2023: US\$291,107] in respect of other timing differences amounting to US\$1,443,320 [2023: US\$1,059,688].

The Company had formed an Australian Tax Consolidated Group with its Australian subsidiaries, Horizon Australia Investments Pty Limited and Horizon Australia Energy Pty Limited and is subject to the Australian tax consolidation regime.

Note 7 Cash and cash equivalents

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Cash at bank and on hand	18,384	4,311
Restricted cash ¹	-	12,552
Deposits ²	34,186	26,728
	52,570	43,591

¹ Under the terms of Horizon's previous Cash Advance Facility, certain cash balances were available to the Group after certain conditions of the relevant facility agreement were satisfied. As this previous facility has been repaid on 31 July 2023, the conditions no longer apply.

² Includes on-call and short-term cash deposits with maturities less than 3-months.

Note 8 Receivables

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Trade and other receivables ¹	7,399	18,351
	7,399	18,351

¹ Of this balance US\$Nil [2023: US\$Nil] related to amounts receivable from related parties. Refer to Note 31 for further details.

Information about the Company's exposure to credit and market risks, and collectability of overdue amounts, is included in Note 24[B].

Note 9 Inventories

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Crude oil, at cost	7,577	2,131
Drilling and workover spares inventory	1,954	822
	9,531	2,953

Note 10 Derivative financial instruments

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
CURRENT:		
Derivative asset – Foreign exchange contracts – cash flow hedges	-	24
Derivative liability – Oil price swaps – cash flow hedges	[105]	-
	[105]	24

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to oil price, interest rate and foreign exchange fluctuations in accordance with the Group's financial risk management policies (refer to Note 24a).

Oil price swap contracts [cash flow hedges]

During the financial year, oil price hedging was undertaken as a risk mitigation measure to mitigate the concentration of oil price exposure on Maari liftings whereby oil is produced over an approximate three month period, but sold subject to the average oil price in the month which it is lifted. At 30 June 2024, the Group had 50,000 bbls of crude oil hedged through Brent oil price swaps at a weighted average price of US\$83.91/bbl.

The gain or loss arising from re-measurement of the hedge-accounted instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and re-classified into profit or loss when the hedged transaction is recognised. The ineffective portion is recognised in profit or loss immediately. During the financial year, a net loss of US\$139,000 [2023: net gain of US\$1,556,180] was transferred to profit or loss.

Note 11 Other assets

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Other assets - prepayments	538	547
	538	547

Note 12 Intangible assets

CURRENT ASSETS	CONSOLIDATED	
	NEW ZEALAND CARBON CREDITS ¹ US\$'000	TOTAL US\$'000
FINANCIAL YEAR ENDED 30 JUNE 2023		
Cost – 1 July 2022	1,202	1,202
Additions	676	676
Disposals – settlements ²	[438]	[438]
Impairment of carbon units	[412]	[412]
Closing value	1,028	1,028
FINANCIAL YEAR ENDED 30 JUNE 2024		
Cost – 1 July 2023	1,028	1,028
Additions	319	319
Disposals – settlements ²	[504]	[504]
Closing value	843	843

¹ The Group acquires New Zealand Units ([NZUs] also referred to as carbon credits) to surrender to the New Zealand Government through the Environmental Protection Authority, for its proportionate share of the Maari/Manaia fields direct greenhouse gas emissions for the calendar year. NZUs are tradable instruments with transactions taking place on the New Zealand Emissions Trading Register, which is operated by the Environmental Protection Authority. The NZUs are recorded at cost and are not amortised and are tested for impairment at each balance sheet date.

² The Company's obligation for the 2023 calendar year was settled in May 2024 whereby a portion of the NZU's on hand were surrendered to the Environmental Protection Authority.

Note 13 Investments

NON-CURRENT ASSETS	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Fair value of investment in unlisted shares	1,351	1,351
	1,351	1,351

During the previous financial year Horizon made a seed capital investment to acquire an approximate 3.5% interest in Re-Vi (formerly known as Nobrac Limited), a subsidiary of ASX listed company, Kiland Limited [KIL]. This investment is accounted for as an equity instrument at fair value through other comprehensive income (FVOCI).

As at 30 June 2024, the fair value of the equity instrument reflect the consideration paid to acquire these shares. Refer to Note 24(d) for details of the valuation techniques used.

Note 14 Deferred tax assets

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Recognised deferred tax assets are attributable to:		
Tax losses	-	-
Development and production expenditure	14,853	11,553
Cash flow hedges	29	-
Provisions and other	328	608
Total deferred tax assets	15,210	12,161
Set off of deferred tax liabilities pursuant to set off provisions	[2,103]	[1,570]
Net deferred tax assets	13,107	10,591

2024	TAX LOSSES	DEVELOPMENT & PRODUCTION EXPENDITURE	CASH FLOW HEDGES	PROVISIONS & OTHER	TOTAL
MOVEMENTS	US\$'000	\$US'000	US\$'000	US\$'000	\$US'000
AT 1 JULY 2023	-	11,553	-	608	12,161
[Charged]/credited					
- to profit or loss	-	3,300	-	[280]	3,020
- to other comprehensive income	-	-	29	-	29
At 30 June 2024	-	14,853	29	328	15,210

2023	TAX LOSSES	DEVELOPMENT & PRODUCTION EXPENDITURE	CASH FLOW HEDGES	PROVISIONS AND OTHER	TOTAL
MOVEMENTS	US\$'000	\$US'000	US\$'000	US\$'000	\$US'000
AT 1 JULY 2022	-	6,472	45	1,164	7,681
[Charged]/credited					
- to profit or loss	-	5,081	-	[556]	4,525
- to other comprehensive income	-	-	[45]	-	[45]
At 30 June 2023	-	11,553	-	608	12,161

Note 15 Property, plant and equipment

	BUILDING ^[2] US\$'000	OTHER PLANT & EQUIPMENT ^[2] US\$'000	LEASEHOLD IMPROVEMENTS US\$'000	TOTAL US\$'000
As at 1 July 2022				
Cost	547	1,720	1,106	3,373
Accumulated depreciation	[502]	[1,717]	[1,092]	[3,311]
Net book amount	45	3	14	62
FINANCIAL YEAR ENDED 30 JUNE 2023				
Opening net book amount	45	3	14	62
Additions	486	36	-	522
Disposals	-	-	[14]	[14]
Depreciation expense ^[1]	[198]	[17]	-	[215]
Closing net book amount	333	22	-	355
As at 30 June 2023				
Cost	1,033	1,756	-	2,789
Accumulated depreciation	[700]	[1,734]	-	[2,434]
Net book amount	333	22	-	355
FINANCIAL YEAR ENDED 30 JUNE 2024				
Opening net book amount	333	22	-	355
Additions	-	12	-	12
Depreciation expense ^[1]	[166]	[11]	-	[177]
Closing net book amount	167	23	-	190
As at 30 June 2024				
Cost	1,033	1,768	-	2,801
Accumulated depreciation	[866]	[1,745]	-	[2,611]
Net book amount	167	23	-	190

[1] Depreciation expense in relation to the right of use assets is US\$170,200.

[2] Included in the net book amount of buildings, and other plant and equipment are right-of-use assets as follows:

	30 JUN 2024 US\$'000	30 JUN 2023 US\$'000
Office premises	167	333
Photocopier and IT equipment	5	8
Total	172	341

Note 16 Oil and gas assets

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
DEVELOPMENT AND PRODUCTION PHASE EXPENDITURE		
Producing oil and gas property acquisition, deferred geological, seismic and drilling, production and distribution facilities and other development expenditure	594,534	571,322
Acquisition of oil & gas asset – Mereenie	38,143	-
Expenditures written off during the period	[1]	[4,161]
Reassessment of rehabilitation obligation - Maari	[1,316]	19,020
Carried forward accumulated impairment losses	[116,598]	[116,598]
Less accumulated amortisation	[395,015]	[364,876]
	119,747	104,707

The reconciliation of development and production phase expenditure carried forward above is as follows:

	CONSOLIDATED		
	DEVELOPMENT PHASE EXPENDITURE US\$'000	PRODUCTION PHASE EXPENDITURE US\$'000	TOTAL US\$'000
BALANCE AT 1 JULY 2022	-	106,879	106,879
Amortisation incurred	-	[38,500]	[38,500]
Increase in restoration obligation	-	19,020	19,020
Development and production costs incurred during financial year	10,049	11,420	21,469
Expenditures written off during the period	-	[4,161]	[4,161]
Transfer to production phase/(from development phase)	[10,049]	10,049	-
BALANCE AT 30 JUNE 2023	-	104,707	104,707
Amortisation incurred	-	[30,139]	[30,139]
Change in restoration obligation	-	[1,316]	[1,316]
Acquisition of oil and gas asset	-	38,143	38,143
Development and production costs incurred during financial year	-	8,353	8,353
Expenditures written off during the period	-	[1]	[1]
Balance at 30 June 2024	-	119,747	119,747

Note 17 Payables

CONSOLIDATED		
	2024 US\$'000	2023 US\$'000
CURRENT LIABILITIES		
Trade creditors	1,033	337
Share of joint operation creditors and accruals	15,712	10,320
ETS obligation ¹	267	255
Lease liabilities ⁴	157	131
Mereenie acquisition – deferred payment ²	3,312	-
Other creditors	3,368	2,362
	23,849	13,405
NON-CURRENT LIABILITIES		
Mereenie acquisition – contingent payment ³	2,352	-
Lease liabilities ⁴	16	191
Other creditors	192	233
	2,560	424

¹ The ETS liability represents Horizon Oil International Limited's obligation to the New Zealand Government for the company's proportionate share of the Maari/Manaia fields greenhouse gas emissions. Refer to Note 12 for the disclosure of the carbon credits acquired (NZUs) which will be surrendered to the New Zealand Government for settlement of this obligation. The ETS obligation is recorded at the cost of the units acquired to settle the obligation. When the number of units required to settle the obligation exceeds the units on hand, the excess will be accounted for at the cost of obtaining the incremental units required to settle the obligation.

² A deferred payment of A\$5 million was payable to Macquarie as purchase consideration for the acquisition of Mereenie oil and gas fields (refer Note 26). Full payment was made in July 2024.

³ A future payment of A\$4 million is payable to Macquarie as purchase consideration for the acquisition of Mereenie oil and gas fields subject to certain conditions being met.

⁴ The Group has lease for an office in Sydney and various equipment. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2024 were as follows:

MINIMUM LEASE PAYMENTS DUE				
	Within one year US\$'000	One to five years US\$'000	After five years US\$'000	Total US\$'000
30 June 2024				
Lease payments	162	16	-	178
Finance charges	[5]	-	-	[5]
Net present values	157	16	-	173

Note 18 Current tax payable

CONSOLIDATED		
	2024 US\$'000	2023 US\$'000
Current tax payable – China	2,137	3,606
Current tax payable – New Zealand	1,588	1,540
Current royalty tax payable – New Zealand	227	1,912
	3,952	7,058

Note 19 Borrowings

CONSOLIDATED		
	2024 US\$'000	2023 US\$'000
CURRENT:		
Bank loans ¹ [B]	2,703	7,912
NON-CURRENT:		
Bank loans ¹ [B]	23,152	-
Total Borrowings	25,855	7,912

¹ Bank loans are shown net of associated transaction costs.

A. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2024 US\$'000	2023 US\$'000
Cash and cash equivalents	52,570	43,591
Borrowings ² – repayable within one year (including overdraft)	[2,814]	[7,939]
Borrowings ² – repayable after one year and in five years (including overdraft)	[23,590]	-
Lease liabilities	[173]	[322]
Net cash	25,993	35,330
Cash and liquid investments	52,570	43,591
Gross debt ² – variable interest rates	[26,404]	[7,939]
Lease liabilities	[173]	[322]
Net cash	25,993	35,330

² Borrowings and gross debt represent the nominal value of the Debt Facility drawn down.

	CASHFLOWS				NON-CASH CHANGES	
	OPENING 1 JULY 2023	DRAWDOWN ³	REPAYMENTS	FOREIGN EXCHANGE MOVEMENT	AMORTISATION OF TRANSACTION COSTS	CLOSING 30 JUNE 2024
Cash Advance Facility	7,912	-	[7,939]	-	27	-
Debt Facility	-	25,764	-	85	6	25,855
Total liabilities from financing activities	7,912	25,764	[7,939]	85	33	25,855

³ Funds drawn down are shown net of associated transaction costs incurred during the period.

B. Bank loans – Debt Facility

On 31 July 2023, the Cash Advance Facility with ANZ, Westpac and ICBC was repaid in full.

On 4 June 2024, Horizon advised that it has executed a new AUD 42.5 million senior debt facility agreement with Macquarie Bank to fund the acquisition of the 25% non-operating interest in the OL4 and OL5 development licenses which contain the producing Mereenie conventional oil and gas field, Northern Territory, Australia.

The new senior debt facility, is structured as a reserves base lending facility, has a term of 5 years with semi-annual repayments and attracts an interest rate of BBSW + 5%. Lender security is limited to first ranking general security over the interest in Mereenie, with a parent company guarantee which is customary for a reserves base lending facility. On 11 June 2024, the Group reached financial close and draw down took place to fund the Mereenie acquisition.

Under the facility, the facility limit is determined by applying a minimum facility life coverage ratio to the net present value of estimated future cash flows from the Mereenie oil and gas field. Estimated future cash flows are dependent on, amongst other things, oil and gas prices, reserve estimates, operating and capital cost estimates. The facility is secured by a floating charge over the shares and assets of the borrower (Horizon Australia Energy Limited which is a wholly owned subsidiary of Horizon Oil Limited). Horizon Oil Limited has guaranteed the performance of Horizon Australia Energy Limited in relation to the loan facility from Macquarie Bank. The Group is subject to covenants which are common for a facility of this nature.

At 30 June 2024, total debt drawn under the facility was US\$26.4 million [A\$39.9 million].

Note 20 Provisions

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Restoration [current]	-	-
Restoration [non-current]	61,459	53,879
	61,459	53,879
The reconciliation of the movement in the total of the restoration provisions is as follows:		
Balance at beginning of financial year	53,879	33,317
Additional provision during financial year	7,034	27,750
Unwinding of discount	2,205	1,542
Payment of restoration cost	[344]	-
Effect of change in inflation, discount and FX rates	[1,315]	[8,730]
Balance at end of financial year	61,459	53,879

During the financial year, following the acquisition of 25% interest in Mereenie oil and gas fields, the Group recognised US\$7.0 million future costs of restoring the operating sites at Mereenie.

Note 21 Non-current liabilities – Deferred tax liabilities

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
RECOGNISED DEFERRED TAX LIABILITIES ARE ATTRIBUTABLE TO:		
Development and production expenditure	4,584	6,115
Accounting profits royalty	391	58
Other	1,381	441
Total deferred tax liabilities	6,356	6,614
Set off of deferred tax assets pursuant to set off provisions	[2,103]	[1,570]
Net deferred tax liabilities	4,253	5,044

2024	DEVELOPMENT AND PRODUCTION EXPENDITURE US\$'000	ACCOUNTING PROFITS ROYALTY US\$'000	CASH FLOW HEDGES US\$'000	OTHER US\$'000	TOTAL US\$'000
AT 1 JULY 2023	6,115	58	-	441	6,614
[Charged] / credited					
- To profit or loss	[1,531]	333	-	940	[258]
- To other comprehensive income	-	-	-	-	-
At 30 June 2024	4,584	391	-	1,381	6,356

2023	DEVELOPMENT AND PRODUCTION EXPENDITURE US\$'000	ACCOUNTING PROFITS ROYALTY US\$'000	CASH FLOW HEDGES US\$'000	OTHER US\$'000	TOTAL US\$'000
AT 1 JULY 2022	12,641	1,221	44	195	14,101
[Charged] / credited					
- To profit or loss	[6,526]	[1,163]	-	246	[7,443]
- To other comprehensive income	-	-	[44]	-	[44]
At 30 June 2023	6,115	58	-	441	6,614

Note 22 Contributed equity

	CONSOLIDATED NUMBER OF SHARES		CONSOLIDATED	
	2024 '000	2023 '000	2024 US\$'000	2023 US\$'000
A. Issued share capital				
Ordinary shares				
Fully paid	1,623,015	1,601,443	149,636	147,333
Partly paid to A\$0.01	1,500	1,500	459	459
	1,624,515	1,602,943	150,095	147,792

B. Movements in ordinary share capital

[i] Ordinary shares (fully paid)

Date	Details	Number of shares	US\$'000
30/06/2023	Balance as at 30 June 2023	1,601,442,962	147,333
28/08/2023	Issuance of new shares - settlement of SAR's	16,933,000	1,786
17/06/2024	Issuance of new shares - settlement of Performance Rights	4,638,683	517
30/06/2024	Balance as at 30 June 2024	1,623,014,645	149,636

[iii] Ordinary shares [partly paid to A\$0.01]:

Date	Details	Number of shares	US\$'000
30/06/2024	Balance as at 30 June 2024	1,500,000	459
30/06/2023	Balance as at 30 June 2023	1,500,000	459

C. Ordinary shares

Fully paid

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Voting rights are governed by the Company's Constitution. In summary, on a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each fully paid ordinary share is entitled to one vote.

Partly paid

Partly paid ordinary shares are issued on exercise of employee options. The partly paid shares currently on issue are held by the Company following forfeiture by their original holder. The outstanding obligation in relation to the partly paid ordinary shares is payable either when called or by the date not exceeding 5 years from the grant date of the option which gave rise to the partly paid ordinary share. Partly paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Voting rights are governed by the Company's Constitution. In summary, on a show of hands every holder of partly paid ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll, is entitled to one vote to the proportion of the total issue price then paid up.

D. Unlisted options over unissued ordinary shares

Information related to the Employee Option Scheme, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year is set out in Note 32.

Note 23 Reserves and retained profits

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
A. Reserves		
SHARE-BASED PAYMENTS RESERVE		
Movements:		
Balance at beginning of financial year	11,137	12,916
Employee share-based payments expense	1,203	1,369
Settlement of SAR's and Performance Rights	[5,030]	[3,148]
Balance at end of financial year	7,310	11,137
HEDGE RESERVE		
Movements:		
Balance at beginning of financial year	16	6
Movement in net market value of hedge contracts	[121]	17
Deferred tax	29	[7]
Balance at end of financial year	[76]	16
TREASURY SHARES		
Movements:		
Balance at beginning of financial year	[31]	[829]
Acquisition of shares by the Employee Share Trust	-	[2,387]
Settlement of SAR's	31	3,174
Capital return & dividends	-	11
Balance at end of financial year	-	[31]
CURRENCY TRANSLATION RESERVE		
Movements:		
Balance at beginning of financial year	-	-
Movement in currency translation	7	-
Balance at end of financial year	7	-
Total reserves	7,241	11,122

B. Accumulated losses

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Accumulated losses at beginning of financial year	[123,595]	[96,536]
Net loss for financial year	[23,264]	[27,059]
Accumulated losses at end of financial year	[146,859]	[123,595]

C. Profit reserve

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Profit reserve at the beginning of the financial year	60,457	24,326
Parent company profit for financial year	49,164	70,911
Dividends paid	[36,855]	[34,780]
Profit reserve at the end of the financial year	72,766	60,457

D. Nature and purpose of reserves

Share-based payment reserve:

The fair value of performance rights and share appreciation rights granted to employees results in an increase in equity upon recognition of the corresponding employee benefits expense, as described in the accounting policy set out in Note 1(W)(iii). The fair value of general options granted also results in an increase in equity unless accounting standards require the options to be treated otherwise.

The Company has elected to retain any amounts originally recognised in the share-based payments reserve, regardless of whether the associated options or share appreciation rights are cancelled or lapse unexercised.

Hedge reserve:

Changes in the market value of the effective portion of derivatives is reflected directly in equity until such time as the hedge is ineffective or expires, as described in the accounting policy set out in Note 1(T).

Treasury shares:

Treasury shares are shares in Horizon that are held by the Horizon Employee Share Trust for the purpose of issuing shares under the Horizon Employee Option Scheme and the Horizon Long Term Incentive (LTI) Plan. Refer to Note 32 for further information. Shares issued to employees are recognised on a weighted average basis.

Movement in treasury shares

Date	Details	Number of shares	US\$'000
30/06/2023	Balance as at 30 June 2023	356,294	31
28/08/2023	Settlement of SARs	(356,294)	(31)
30/06/2024	Balance as at 30 June 2024	-	-

Currency translation reserve:

Exchange differences arising on translation of Horizon Australia Energy Pty Ltd, from its functional currency of Australian dollars into the Group's presentation currency of United States dollars, are recognised in other comprehensive income as described in the accounting policy set out in Note 1(F) and accumulated in a separate reserve within equity.

Note 24 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk); credit risk; liquidity risk; capital risk; and climate related and other emerging risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as oil price swaps, interest rate swaps and foreign exchange forward contracts, to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and commodity price risks, and aging analysis for credit risk.

Risk management is carried out by the finance function under policies approved by the Board of Directors. The finance function identifies, evaluates and if necessary hedges financial risks in close co-operation with Group management. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks and the use of derivative financial instruments.

The Group has no off-balance sheet financial assets or liabilities as at the end of the reporting period.

The Group held the following financial instruments at 30 June 2024 and 30 June 2023:

	CONSOLIDATED	
	30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000
FINANCIAL ASSETS		
Cash and cash equivalents	52,570	43,591
Receivables	7,399	18,351
Derivative financial instruments	-	24
	59,969	61,966
FINANCIAL LIABILITIES		
Payables (current)	23,849	13,405
Current tax payable	3,952	7,058
Payables (non-current)	2,367	424
Borrowings (net of borrowing costs capitalised)	25,855	7,912
	56,023	28,799

A. Market risk

[i] Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising predominately from Australian and New Zealand dollars and Chinese Renminbi.

The Group manages foreign exchange risk by monitoring forecast cash flows in currencies other than US dollars and ensuring that adequate Australian dollar and New Zealand dollar cash balances are maintained.

The objective of the Group's foreign exchange risk management policy is to ensure its financial viability despite potential periods of unfavourable exchange rates. Regular sensitivity analysis is conducted to evaluate the potential impact of unfavourable exchange rates on the Group's future financial position. The results of this evaluation are used to determine the most appropriate risk mitigation tool to be used. The Group will hedge when it is deemed the most appropriate risk mitigation tool to be used.

As at 30 June 2024, the Group had no outstanding exchange rate hedges (30 June 2023: derivative asset of US\$24,000).

Effects of hedge accounting

The effects of the foreign currency related hedging instruments on the Group's financial position and performance are as follows:

	CONSOLIDATED	
	30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000
FOREIGN CURRENCY FORWARDS (USD/AUD)		
Carrying amount – asset / (liability)	-	24
Notional amount	-	2,808
Maturity date	-	10 July 2023 - 11 December 2023
Hedge ratio ¹	-	1:1
Change in discounted spot value of outstanding instruments	-	24
Weighted average hedged rate for the year	-	US\$1: AUD0.6431

¹ The foreign currency swaps and foreign currency forward contracts are denominated in the same currencies as the highly probable future operating and corporate overhead expenditures (AUD corporate expenditures) therefore the hedge ratio is 1:1.

Exposure to foreign exchange risk

The Group's exposure to foreign exchange risk at the end of each reporting period was as follows:

GROUP	30 JUNE 2024			30 JUNE 2023		
	AUD US\$'000	NZD US\$'000	RMB US\$'000	AUD US\$'000	NZD US\$'000	RMB US\$'000
Cash and cash equivalents	7,673	1,370	-	10,079	1,392	-
Receivables	1,182	180	-	89	232	-
Current tax payable	-	3,089	2,137	-	3,518	3,606
Current payables	5,775	-	1,108	1,211	-	838
Non-current payables	2,544	-	-	232	-	-

For the financial year ended and as at 30 June 2024, if the currencies set out in the table below had strengthened or weakened against the US dollar by the percentage shown, with all other variables held constant, the net result for the financial year would increase / [decrease] and net assets would increase / [decrease] by:

GROUP	NET RESULT		NET ASSETS		NET RESULT		NET ASSETS	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Change in currency ¹	+10%	+10%	+10%	+10%	-10%	-10%	-10%	-10%
Australian dollar impact	576	567	38	611	(576)	(567)	(38)	(611)
New Zealand dollar impact	507	881	(111)	(136)	(507)	(881)	111	136
Chinese Renminbi impact	-	-	(243)	(333)	-	-	243	333

¹ This has been based on the change in the exchange rate against the US dollar in the financial years ended 30 June 2024 and 30 June 2023. The sensitivity analysis has been based on the sensitivity rates when reporting foreign exchange risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates based on historic volatility. In management's opinion, the sensitivity analysis is not fully representative of the inherent foreign exchange risk as the end of the reporting period exposure does not necessarily reflect the exposure during the course of the financial year.

[ii] Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market commodity prices for crude oil.

The objective of the Group's commodity price risk management policy is to ensure its financial viability despite potential periods of unfavourable prices. Regular sensitivity analysis is conducted to evaluate the potential impact of unfavourable prices on the Group's future financial position. The results of this evaluation are used to determine the most appropriate risk mitigation tool to be used. The Group will hedge when it is deemed the most appropriate risk mitigation tool to be used or where required by its financing arrangements. During the current financial year, oil price hedging was undertaken as a risk mitigation measure to ensure the Group's financial position remains sound and that the Group is able to meet its financial obligations in the event of low oil prices.

At 30 June 2024, the Group had 50,000 bbls of crude oil hedged through Brent oil price swaps at a weighted average price of US\$83.91/bbl.

Effects of hedge accounting

The effects of the oil price swaps on the group's financial position and performance are as follows:

CONSOLIDATED		
	30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000
OIL PRICE SWAPS		
Carrying amount – liability	105	-
Notional amount	4,196	-
Maturity date	31 July 2024	-
Hedge ratio ¹	1:1	-
Change in fair value of outstanding hedging instruments since 30 June 2023	(105)	-
Weighted average hedged rate for the year	US\$83.91/bbl	-

¹ The oil price swaps were executed in the same oil price benchmark as the highly probable future oil sales, therefore the hedge ratio is 1:1.

For the financial year ended and as at 30 June 2024, if the crude oil price rose or fell by the percentage shown, with all other variables held constant, the result for the financial year would increase / [decrease] and net assets would increase / [decrease] by:

GROUP	NET RESULT		NET ASSETS		NET RESULT		NET ASSETS	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Change in crude oil price	+10%	+10%	+10%	+10%	-10%	-10%	-10%	-10%
Impact	4,850	7,509	4,850	7,509	(5,814)	(8,846)	(5,814)	(8,846)

[iii] Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no interest-bearing assets considered to materially expose the Group's core income and/or operating cash flows to changes in market interest rates.

As at 30 June 2024 and 30 June 2023, the Group's interest rate risk arises from borrowings, issued at variable rates, exposing the Group to cash flow interest rate risk. Group policy is to manage material interest rate exposure. Regular sensitivity analysis is conducted to evaluate the potential impact of unfavourable interest rate movements on the Group's future financial position. The results of this evaluation are used to determine the most appropriate risk mitigation tool to be used. During the current and prior financial year, the Group did not enter into any interest rate swap contracts.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group's exposure to interest rate risk for financial instruments is set out below:

	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN:			NON- INTEREST BEARING	CARRYING AMOUNT
	US\$'000	1 YEAR OR LESS US\$'000	OVER 1 TO 2 YEARS US\$'000	OVER 2 TO 5 YEARS US\$'000	US\$'000	US\$'000
AS AT 30 JUNE 2024						
FINANCIAL ASSETS						
Cash and cash equivalents	18,057	33,688	-	-	825	52,570
Receivables	-	-	-	-	7,399	7,399
	18,057	33,688	-	-	8,224	59,969
Weighted average interest rate p.a.	4.35%					
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	23,849	23,849
Current tax payable	-	-	-	-	3,952	3,952
Non-current payables	-	-	-	-	2,367	2,367
Derivative financial instruments	-	-	-	-	105	105
Borrowings (nominal)	26,404	-	-	-	-	26,404
	26,404	-	-	-	30,273	56,677
Weighted average interest rate p.a.	9.56%					
Net financial assets/(liabilities)	[8,347]	33,688	-	-	[22,049]	3,292

	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN:			NON- INTEREST BEARING	CARRYING AMOUNT
		1 YEAR OR LESS	OVER 1 TO 2 YEARS	OVER 2 TO 5 YEARS		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
AS AT 30 JUNE 2023						
FINANCIAL ASSETS						
Cash and cash equivalents	27,884	-	-	-	15,707	43,591
Receivables	-	-	-	-	18,351	18,351
Derivative financial instruments	-	-	-	-	24	24
	27,884	-	-	-	34,082	61,966
Weighted average interest rate p.a.	3.58%					
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	13,405	13,405
Current tax payable	-	-	-	-	7,124	7,124
Non-current payables	-	-	-	-	424	424
Borrowings	7,939	-	-	-	-	7,939
	7,939	-	-	-	20,953	28,892
Weighted average interest rate p.a.	6.62%					
Net financial assets	19,945	-	-	-	13,129	33,074

As at 30 June 2024 and 30 June 2023, the Group had the following variable rate borrowings outstanding:

	30 JUNE 2024		30 JUNE 2023	
	WEIGHTED AVERAGE INTEREST RATE	BALANCE	WEIGHTED AVERAGE INTEREST RATE	BALANCE
	% P.A.	US\$'000	% P.A.	US\$'000
External loans	9.56%	26,404	6.62%	7,939
Net exposure to cash flow interest rate risk		26,404		7,939

At 30 June 2024 and 30 June 2023, if the interest rates had been 1.0% p.a. higher or lower and all other variables held constant, the net result for the financial year would increase/(decrease) and net assets as at 30 June 2024 and 30 June 2023 would increase/(decrease) by:

GROUP	NET RESULT		NET ASSETS		NET RESULT		NET ASSETS	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
CHANGE IN INTEREST RATE P.A.	+1%	+1%	+1%	+1%	-1%	-1%	-1%	-1%
Impact of Assets	293	98	293	98	[1,274]	[349]	[1,274]	[349]
Impact of Liabilities	14	112	14	112	[136]	[112]	[136]	[112]
Impact of Net Assets	279	[14]	279	[14]	[1,138]	[237]	[1,138]	[237]

B. Credit risk

Credit risk is managed on a Group basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposures to customers, including outstanding receivables.

It is acknowledged that the Group's sales of crude oil are primarily concentrated with two counterparties. However, the Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history, and that the Group has the ability to sell crude to other parties if desired.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. Where commercially practical the Group seeks to limit the amount of credit exposure to any one financial institution.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets as summarised in this note.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

CONSOLIDATED		
	2024 US\$'000	2023 US\$'000
CASH AND CASH EQUIVALENTS		
Counterparties with external credit rating [Standard & Poors]		
AA-	45,122	42,057
A+	6,624	-
Counterparties without external credit rating		
Share of joint operations cash balances	824	1,534
Total cash and cash equivalents	52,570	43,591
RECEIVABLES		
Counterparties with external credit rating [Standard & Poors / Fitch]		
AAA	283	295
AA-	816	67
A+	5,536	7,143
A-	10	10,757
BBB+	279	-
BBB-	319	-
Counterparties without external credit rating		
Share of joint operation receivables balances	156	89
Total receivables	7,399	18,351

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical rates are adjusted to reflect current and forward-looking information on key factors affecting the ability of the customers to settle the receivables. Management has assessed the collectability of these amounts based on the customer relationships and historical payment behaviour and believe that the amounts are still collectable in full.

On that basis, the loss allowance as at 30 June 2024 was determined as follows for trade receivables:

AS AT 30 JUNE 2024	CURRENT	MORE THAN 30 DAYS DUE PAST	MORE THAN 60 DAYS DUE PAST	TOTAL
Expected loss rate	0%	0%	0%	
Gross carrying amount	7,399	-	-	7,399
Loss Allowance	-	-	-	-

As at 30 June 2024, there were no financial assets that are past due [30 June 2023: US\$Nil]. At the date of this report, the full balance of the receivables has been received in cash.

C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group has policies in place to manage liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

Financing arrangements

As at 30 June 2024 and 30 June 2023, the Group had no undrawn borrowing facilities.

Maturities of financial liabilities

An analysis of the Group's financial liability maturities for the current and prior financial year is set out below:

AS AT 30 JUNE 2024	NON-INTEREST BEARING US\$'000	VARIABLE RATE ¹ US\$'000	FIXED RATE US\$'000
Less than 6 months	27,906	1,273	-
6 – 12 months	-	3,950	-
Between 1 and 2 years	-	14,445	-
Between 2-5 years	2,367	13,295	-
Total contractual cash flows	30,273	32,963	-

¹ Includes principal repayments and future interest payments.

AS AT 30 JUNE 2023	NON-INTEREST BEARING US\$'000	VARIABLE RATE ¹ US\$'000	FIXED RATE US\$'000
Less than 6 months	20,720	7,939	-
6 – 12 months	-	-	-
Between 1 and 2 years	232	-	-
Total contractual cash flows	20,952	7,939	-

¹ Includes principal repayments and future interest payments.

D. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 'Financial Instruments: Disclosures' requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

[i] Fair value measurements

The following table presents the Group's assets and liabilities measured and recognised at fair value as at 30 June 2024 and 30 June 2023:

AS AT 30 JUNE 2024	LEVEL 1 US\$'000	LEVEL 2 US\$'000	LEVEL 3 US\$'000	TOTAL US\$'000
ASSETS				
Financial assets at fair value through OCI:				
Equity investment in unlisted shares	-	-	1,351	1,351
Total assets	-	-	1,351	1,351
LIABILITIES				
Derivatives used for hedging	-	105	-	105
Total liabilities	-	105	-	105

AS AT 30 JUNE 2023	LEVEL 1 US\$'000	LEVEL 2 US\$'000	LEVEL 3 US\$'000	TOTAL US\$'000
ASSETS				
Derivatives used for hedging	-	24	-	24
Financial assets at fair value through OCI:				
Equity investment in unlisted shares	-	-	1,351	1,351
Total assets	-	24	1,351	1,375

There were no transfers between levels 1, 2 or 3 for recurring fair value measurements during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2024.

[ii] Valuation techniques used to derive fair values

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) was based on quoted market prices at the end of each reporting period. The quoted market price used for hedging derivatives held by the Group was the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimate. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of equity investment as at 30 June 2024 is equivalent to the consideration paid to acquire the 3.5% interest in the unlisted shares. As one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow projections based on reliable estimates of future cash flows.

All resulting fair value estimates for unlisted equities are included in level 3.

[iii] Other fair value measurements

The carrying value of receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of other financial liabilities (being financial guarantees), after factoring in the likelihood that the parent entity would be required to perform under the guarantees, was not considered material.

The fair value of borrowings for disclosure purposes is not materially different to their carrying value given the likely anticipated repayment profile. Refer to Note 19 for further details.

The fair value of other classes of financial instruments not yet covered above was determined to approximate their carrying value.

E. Capital risk

The consolidated entity manages its capital to ensure that entities in the consolidated group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

F. Climate-related and other emerging risks

Climate-related and other emerging risks encompass the impact of climate change, any associated climate change regulations, funding restrictions and any other emerging factors (e.g. technological disruption to the oil and gas industry) that could have a material impact on the Group. The Group will continue to monitor the impact of these risks.

At the date of this report, the Group is impacted by emissions trading regulations in New Zealand. Currently there are no equivalent emissions trading regulations in the other jurisdictions in which the Group operates.

The Group manages the impact of the emissions trading regulations in New Zealand by acquiring New Zealand carbon credits (NZUs) throughout the financial period to offset its annual obligation, such that it is not wholly exposed to the NZU price at the date of settlement.

At 30 June 2024, if the New Zealand carbon credit price had been 10% p.a. higher or lower and all other variables held constant, the net result for the financial year would increase/(decrease) and net assets as at 30 June 2024 would increase/(decrease) by:

GROUP	NET RESULT		NET ASSETS		NET RESULT		NET ASSETS	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Change in NZU price	+10 %	+10%	+ %	+10%	-%	-10%	%	-10%
Impact	37	34	58	77	[37]	[34]	[58]	[77]

Note 25 New Zealand Imputation Credits

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
Imputation credits available for subsequent financial years ¹	2,929	2,927

¹ The franking credits available for subsequent financial years are only available to New Zealand resident shareholders under the Trans-Tasman imputation legislation.

Note 26 Acquisition of a 25% interest in Mereenie oil and gas fields

Summary of acquisition

On 14 February 2024, Horizon Australia Energy Pty Ltd, a wholly owned subsidiary of Horizon Oil Limited, executed a sale and purchase agreement with Macquarie Mereenie (Seller) to acquire a 25% non-operating participating interest in the OL4 and OL5 development licenses, Northern Territory, Australia which contain the producing Mereenie conventional oil and gas field. The effective date of acquisition was 1 April 2023, with the transaction completing on 11 June 2024.

The acquisition has been accounted for as a business combination. In accordance with the accounting policy described in note 1(n), the Group identified and recognised the fair value of the individual identifiable assets acquired and liabilities assumed on provisional basis at the effective acquisition date with the exception of the restoration asset and liability of US\$7.0 million which was estimated by the Group on acquisition following an external consultant review.

Details of the purchase consideration and the net assets acquired at the completion date are as follows:

	2024 US\$'000
Purchase consideration:	
Cash Paid via debt funding	28,059
Net working capital cash flows	[1,742]
Deferred payment	3,301
Contingent payment	2,338
Total purchase consideration	31,956

The assets and liabilities recognised as a result of the acquisition at the completion date are as follows:

	FAIR VALUE US\$'000
Cash	224
Receivable	565
Inventory – consumable spare parts	561
Inventory – gas and crude oil	102
Oil and gas assets	38,143
Prepaid expenses	29
Payables	[634]
Restoration provision	[7,034]
Net identifiable assets acquired	31,956

In addition to the aforementioned identifiable assets and liabilities, the Group assumed oil and gas expenditure commitments associated with the acquired license. Refer to Note 37 for further detail in relation to the Group's capital commitments.

Note 27 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy set out in Note 1[C]:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PERCENTAGE OF EQUITY HOLDING AND VOTING INTEREST (ALL SHARES ISSUED ARE ORDINARY SHARES)		BUSINESS ACTIVITIES CARRIED ON IN
		2024 %	2023 %	
Horizon Oil International Limited	New Zealand	100	100	New Zealand
Horizon Oil International Holdings Limited	BVI	100	100	BVI
Horizon Oil (Beibu) Limited	BVI	100	100	China
Horizon Oil (China Holdings) Limited	BVI	100	100	BVI
Horizon Oil Employee Incentive Trust	Australia	100	100	Australia
Horizon Australia Investments Pty Limited	Australia	100	100	Australia
Horizon Australia Energy Pty Limited	Australia	100 ¹	-	Australia

¹ During the financial year, the Group established Horizon Australia Energy Pty Limited, a stand-alone company that holds the 25% non-operating interest in the Mereenie oil and gas fields. This entity is consolidated in accordance with the principles in Note 1[C].

Note 28 Interest in joint operations

Companies in the Group were participants in a number of joint operations. The Group has an interest in the assets and liabilities of these joint operations. The Group's share of current assets and liabilities of the joint operations is included in the consolidated statement of financial position in accordance with the accounting policy described in Note 1[C], and the carrying values of Group's share of exploration, development and production phase expenditure is recorded in accordance with the accounting policies set out in Note 1[P] and [N], under the following classifications:

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
CURRENT ASSETS		
Cash and cash equivalents	825	1,534
Receivables	156	89
Inventories	9,531	2,953
Total current assets	10,512	4,576
NON-CURRENT ASSETS		
Oil and gas assets	119,747	104,707
Total non-current assets	119,747	104,707
Total assets	130,259	109,283
CURRENT LIABILITIES		
Payables	15,712	10,320
Total current liabilities	15,712	10,320
NON-CURRENT LIABILITIES		
Restoration provision	61,459	53,879
Total non-current liabilities	61,459	53,879
Total liabilities	77,171	64,199
Share of net assets employed in joint operations	53,088	45,084

Contingent liabilities in respect of joint operations are detailed in Note 35.

Exploration and development expenditure commitments in respect of joint operations are detailed in Note 37.

The Group had an interest in the following joint operations:

PERMIT OR LICENCE	PRINCIPAL ACTIVITIES	INTEREST [%] 30 JUNE 2024	INTEREST [%] 30 JUNE 2023
NEW ZEALAND			
PMP 38160 (Maari/Manaia)	Oil and gas production, exploration and development	26.00%	26.00%
CHINA			
Block 22/12	Oil and gas production, exploration and development	26.95%	26.95%
AUSTRALIA			
Mereenie OL4 & OL5	Oil and gas production, exploration and development	25.00% ¹	-

¹ During the current financial year, the group acquired a 25% non-operating interest in the Mereenie oil and gas fields.

Note 29 Remuneration of external auditors

CONSOLIDATED		
	2024 US\$	2023 US\$
During the financial year, the following fees were paid or payable for services provided by the external auditor of the parent entity and its related practices:		
PwC Australia		
Audit and other assurance services		
Audit and review of financial reports	231,304	212,371
Other assurance services	13,417	12,649
Total auditors' remuneration	244,721	225,020

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to its statutory external audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. It is the Group's policy to seek competitive tenders for all major consulting projects.

Note 30 Remuneration of key management personnel

See the Remuneration Report within the Directors' Report for details of directors and other key management and their detailed remuneration.

KEY MANAGEMENT PERSONNEL COMPENSATION	2024 US\$	2023 US\$
Short-term employee benefits	1,153,248	1,071,190
Post-employment benefits	53,750	52,476
Long-term benefits	[11,181]	24,183
Share-based payments (non-cash)	1,073,433	1,225,588
Total key management personnel remuneration	2,269,250	2,373,437

Detailed remuneration disclosures are provided in sections 1 - 6 of the audited Remuneration Report.

Loans to key management personnel

There were no loans to directors or other key management personnel during the current or prior financial year.

Other transactions with key management personnel

There were no other transactions with key management personnel during the current or prior financial year, other than as disclosed in sections 1 - 6 of the remuneration report.

Note 31 Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

Directors and other key management personnel

There were no related party transactions with directors and other key management personnel during the current or prior year other than as disclosed in sections 1 - 6 of the Remuneration report and Note 32.

Subsidiaries

Interests in subsidiaries are set out in Note 27. Details in respect of guarantees provided to subsidiaries are set out in Note 40[[iii]].

Transactions with related parties

Transactions between Horizon Oil Limited and related parties in the wholly-owned Group during the financial years ended 30 June 2024 and 30 June 2023 consisted of:

- (a) Contributions to share capital by Horizon Oil Limited;
- (b) Loans advanced by Horizon Oil Limited;
- (c) Loans repaid to Horizon Oil Limited;
- (d) Payments to Horizon Oil Limited under financial guarantee contract arrangements;
- (e) Interest payments to Horizon Oil Limited on loans advanced to subsidiaries;
- (f) Dividends paid to Horizon Oil Limited; and
- (g) Reimbursement of expenses to Horizon Oil Limited.

The reimbursement of expenses to Horizon Oil Limited by subsidiaries is based on costs recharged on a relevant time allocation of consultants and employees and associated office charges.

Terms and conditions

Transactions relating to dividends, calls on partly paid shares and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. Certain loans to/from subsidiaries are subject to interest. The average interest rate on loans attracting interest during the financial year was LIBOR plus 4.53% (2023: LIBOR plus 4.53%). Outstanding balances are unsecured and repayable in cash.

Note 32 Share-based payments

Set out below is a summary of performance rights, deferred STI rights and share appreciation rights on issue:

GRANT DATE	ESTIMATED EXPIRY DATE	EXERCISE PRICE	BALANCE START OF FINANCIAL YEAR NUMBER	GRANTED DURING FINANCIAL YEAR NUMBER	EXERCISED DURING FINANCIAL YEAR NUMBER	LAPSED/ CANCELLED DURING FINANCIAL YEAR NUMBER	BALANCE END OF FINANCIAL YEAR NUMBER	VESTED AND EXERCISABLE AT END OF FINANCIAL YEAR NUMBER
CONSOLIDATED ENTITY 2024 SHARE APPRECIATION RIGHTS ISSUED								
01/07/2020	01/07/2025	A\$0.02 ¹	3,720,681	-	[3,720,681]	-	-	-
01/07/2021	01/07/2026	A\$0.03 ¹	3,386,400	-	[3,386,400]	-	-	-
TOTAL			7,107,081	-	[7,107,081]	-	-	-
PERFORMANCE RIGHTS ISSUED								
16/11/2022	30/06/2027	-	19,600,000	-	[19,600,000]	-	-	-
08/08/2022	30/06/2027	-	9,800,000	-	[9,800,000]	-	-	-
01/05/2023	30/04/2028	-	7,000,000	-	[7,000,000]	-	-	-
21/02/2024	30/04/2028	-	-	1,752,233	[1,752,233]	-	-	-
TOTAL			36,400,000	1,752,233	[38,152,233]	-	-	-
DEFERRED STI RIGHTS ISSUED								
30/06/2022	N/A	-	3,221,275	-	[3,221,275]	-	-	-
30/06/2023 ²	N/A	-	-	4,315,706	-	-	4,315,706	4,315,706
TOTAL			3,221,275	4,315,706	[3,221,275]	-	4,315,706	4,315,706

¹ No price is payable by a participant in the Long-Term Incentive Plan on the exercise of a SAR, Performance Rights and Deferred STI Rights. The 'strike price' for SARs is the 10-day volume weighted average price for Horizon shares at effective allocation date. Following shareholder approval of a A\$ 1.35 cent capital return, at an extraordinary general meeting on 7 October 2022, the strike prices of SARs on issue have been reduced by A\$ 1.35 cents.

² In accordance with the plan, the number of 2023 deferred STI rights held by each KMP were adjusted during the financial year for the aggregate A\$ 3.5 cent dividend distributions per share.

GRANT DATE	ESTIMATED EXPIRY DATE	EXERCISE PRICE	BALANCE START OF FINANCIAL YEAR NUMBER	GRANTED DURING FINANCIAL YEAR NUMBER	EXERCISED DURING FINANCIAL YEAR NUMBER	LAPSED/ CANCELLED DURING FINANCIAL YEAR NUMBER	BALANCE END OF FINANCIAL YEAR NUMBER	VESTED AND EXERCISABLE AT END OF FINANCIAL YEAR NUMBER
CONSOLIDATED ENTITY 2023 SHARE APPRECIATION RIGHTS ISSUED								
01/07/2017	01/07/2022	A\$0.02 ¹	39,191,714	-	[39,191,714]	-	-	-
01/07/2018	01/07/2023	A\$0.11 ¹	6,453,777	-	[6,453,777]	-	-	-
01/07/2019	01/07/2024	A\$0.08 ¹	8,179,878	-	[8,179,878]	-	-	-
01/07/2020	01/07/2025	A\$0.02 ¹	3,720,681	-	-	-	3,720,681	-
01/07/2021	01/07/2026	A\$0.06 ¹	9,194,811	-	-	[5,808,411]	3,386,400	-
TOTAL			66,740,861	-	[53,825,369]	[5,808,411]	7,107,081	-
PERFORMANCE RIGHTS ISSUED								
16/11/2022	30/06/2027	-	-	19,600,000	-	-	19,600,000	-
08/08/2022	30/06/2027	-	-	9,800,000	-	-	9,800,000	-
01/05/2023	30/04/2028	-	-	7,000,000	-	-	7,000,000	-
TOTAL				36,400,000	-	-	36,400,000	-
DEFERRED STI RIGHTS ISSUED								
30/06/2022 ²	N/A	-	-	3,221,275	-	-	3,221,275	3,221,275
TOTAL			-	3,221,275	-	-	3,221,275	3,221,275

¹ No price is payable by a participant in the Long-Term Incentive Plan on the exercise of a SAR, Performance Rights and Deferred STI Rights. The 'strike price' for SARs is the 10-day volume weighted average price for Horizon shares at effective allocation date. Following shareholder approval of a A\$ 1.35 cent capital return, at an extraordinary general meeting on 7 October 2022, the strike prices of SARs on issue have been reduced by A\$ 1.35 cents.

² In accordance with the plan, the number of 2022 deferred STI rights held by each KMP were adjusted during the financial year for the A\$ 1.35 cents capital return per share and aggregate A\$ 3.15 cent dividend distributions per share.

Long Term Incentive Plan [SARs]

The LTI arrangements approved at the 2010 annual general meeting apply to senior executives and involve the grant of share appreciation rights which may vest subject (amongst other things) to the level of total shareholder return ('TSR') achieved in the vesting period, relative to an appropriate index. This plan applied for the financial years up to and including 2022. As noted in the remuneration report, following a review of the current long term incentive plan award of Share Appreciation Rights), the Board approved a revised LTI Plan which involves the award of performance rights in place of share appreciation rights. The rationale for the new LTI plan is to create a stronger link between performance and reward and to align the interests of Senior Executives more strongly with those of the shareholders of Horizon.

A SAR is a right to receive either or both a cash payment or shares in the Company, as determined by the board, subject to the Company satisfying certain conditions, including performance conditions.

The LTI Plan provides that the amount of the cash payment or the number of shares in the Company that the participant receives on exercise of the SAR is based on the value of the SAR at the time it is exercised ('SAR Value'). The SAR Value is the excess, if any, of the volume weighted average price ('VWAP') of shares in the Company for the ten-business day period up to the date before the date the SAR is exercised over the VWAP of shares in the Company for the ten-business day period up to the day before the "Effective Allocation Date" for the SARs. The Effective Allocation Date for the SARs is the grant date of the SARs or any other day determined by the board, at the time of the grant. The Effective Allocation Date would generally be the date the executive's entitlement was determined.

If the board determines that the SARs are to be satisfied in cash, the amount of cash that the participant receives on the exercise of the SARs is the SAR Value multiplied by the number of SARs exercised (less any deduction for taxes that the Company is required to make from the payment). If the board determines that the SARs are to be satisfied in shares, the number of shares that the participant receives on the exercise of the SARs is the SAR Value divided by the volume weighted average price of shares in the Company for the ten-business day period up to the day before the day the SARs are exercised. Where the number of shares calculated is not a whole number, it will be rounded down to the nearest whole number.

Long Term Incentive Plan [Performance Rights]

The LTI arrangements approved at the 2022 annual general meeting apply to senior executives and involve the grant of performance rights which may vest subject (amongst other things) the achievement of certain share price hurdles, A\$25 million of cumulative share trades at or above the share price hurdles and the one-month VWAP, at the one year anniversary

of achieving the share price hurdle, must meet or exceed the share price hurdle. This plan applied for from and including the 2023 financial year.

Under the LTI Plan, the board has the discretion, subject to the ASX Listing Rule requirements, to grant performance rights to executives as long-term incentives. A performance right is a right to receive shares in the Company, subject to the Company satisfying certain conditions, including performance conditions. Each performance right entitles the holder to one Horizon Ordinary share should the performance right vest.

No price is payable by a participant in the Long-Term Incentive Plan on the exercise of a SAR or Performance Right.

During the financial year, the Horizon Long-Term Incentive Plan and Horizon Employee Option Scheme are also administered by the Horizon Employee Share Trust. This trust is consolidated in accordance with Note 1(C).

Shares issued by the trust to the employees are acquired through the issuance of new Ordinary shares by the Company. Shares held by the trust and not yet issued to employees at the end of the reporting period are shown as treasury shares in the financial statements. Refer to Note 23(D) for details.

Performance Rights issued

The independently assessed fair value's at grant date of these performance rights are disclosed below. The terms and conditions of each grant of Performance Rights presently on issue are as follows:

TRANCHE	NUMBER OF RIGHTS	SHARE PRICE HURDLE (A\$) ¹	EXPIRY DATE	FAIR VALUE PER PERFORMANCE RIGHT AT GRANT DATE ²	DATE EXERCISED
CEO Performance Rights issued with a Grant Date of 16 November 2022					
Tranche A Rights	7,000,000	0.085	30 June 2027	A\$0.094	25/08/2023
Tranche B Rights	5,600,000	0.115	30 June 2027	\$0.077	25/08/2023
Tranche C Rights	4,200,000	0.135	30 June 2027	A\$0.065	25/08/2023
Tranche D Rights	2,800,000	0.155	30 June 2027	A\$0.046	25/08/2023
COO Performance Rights issued with a Grant Date of 8 August 2022					
Tranche A Rights	3,500,000	0.085	30 June 2027	A\$0.065	25/08/2023
Tranche B Rights	2,800,000	0.115	30 June 2027	A\$0.045	25/08/2023
Tranche C Rights	2,100,000	0.135	30 June 2027	A\$0.038	25/08/2023
Tranche D Rights	1,400,000	0.155	30 June 2027	A\$0.033	25/08/2023
CFO Performance Rights issued with a Grant Date of 1 May 2023 (Tranche E, F) and 21 February 2024 (Tranche G, H)					
Tranche E Rights	3,500,000	0.135	30 April 2028	A\$0.086	03/05/2024
Tranche F Rights	2,800,000	0.145	30 April 2028	A\$0.077	03/05/2024
Tranche G Rights	907,406	0.135	30 April 2028	A\$0.125	03/05/2024
Tranche H Rights	844,827	0.145	30 April 2028	A\$0.121	03/05/2024

¹ In accordance with the plan, the Share Price Hurdles were adjusted to account for distributions to shareholders during the 2024 financial year. Share price hurdles were only adjusted for distributions made prior to the Performance Rights being exercised

² The value per Performance Right at grant date is determined by an independent expert.

³ No price is payable by a participant in the Long-Term Incentive Plan on the exercise of a Performance Right.

The Group engages external, independent and qualified valuers to determine the fair value at grant date. The fair value of the performance rights is using a Monte Carlo simulation technique.

The Monte Carlo simulation technique used to calculate the theoretical value of the performance rights uses current stock prices, expected dividend yield, expected interest rates, time to expiration and expected volatility. A calculated share price volatility of 55% - 60.0% was applied in the valuations. All other parameters were based on the specific terms of the share appreciation rights issued or observable market data.

The simulation inputs for the grant of Performance Rights during the financial year ended 30 June 2024 included:

	CEO	COO	CFO - 2023	CFO - 2024
Effective allocation date	1 July 2022	1 July 2022	1 May 2023	1 May 2023
Expiry date	30 June 2027	30 June 2027	30 April 2028	30 April 2028
Grant date	16 November 2022	8 August 2022	1 May 2023	21 February 2024
Exercise price	Nil ¹	Nil ¹	Nil ¹	Nil ¹
Expected price volatility	60% p.a.	60% p.a.	60% p.a.	55% p.a.
Risk free rate	3.04% p.a.	3.42% p.a.	3.08% p.a.	3.8% p.a.
Expected dividend yield	20.00% p.a.	20.00% p.a.	20.00% p.a.	20.00% p.a.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the financial year as part of employee benefits expense in profit or loss were as follows:

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
SHARE APPRECIATION RIGHTS ISSUED UNDER:		
Long Term Incentive Plan	1,203	1,369
Total employee share-based payments expense	1,203	1,369

Performance Rights/SARs in respect of which expiry dates were modified during the financial year

No Performance Rights/SARs expiry dates were modified during the financial year.

Performance Rights/SARs exercised during the financial year

During the financial year 7,107,081 SARs and 38,152,233 Performance Rights were exercised and settled with the issuance of 20,220,683 Ordinary shares which were transferred from the Horizon Employee Incentive Trust, cash paid/payable of A\$1,057,719 and an upward variation of PAYG amounting to A\$2,841,093.

Performance Rights/SARs lapsing or cancelled during the financial year

No Performance Rights/SARs lapsed or were cancelled during the financial year.

Performance Rights/SARs lapsed subsequent to 30 June 2024

No performance rights or SARs have lapsed subsequent to financial year end.

Deferred STI Rights exercised during the financial year

During the financial year 3,221,275 Deferred STI Rights were exercised and settled with the issuance of 1,707,274 Ordinary shares which were transferred from the Horizon Employee Incentive Trust and cash paid/payable of A\$234,670.

Deferred STI Rights issued subsequent to 30 June 2024

Subsequent to period end, 3,691,728 deferred STI rights were issued in relation to the FY24 STI's awarded. 1,135,434 of these rights remain subject to shareholder approval at the 2024 Annual General Meeting.

Note 33 Employee entitlements

CONSOLIDATED		
	2024 US\$'000	2023 US\$'000
EMPLOYEE ENTITLEMENT LIABILITIES ARE INCLUDED WITHIN:		
Current – other creditors	175	136
Non-current – other creditors [Note 17]	192	233
	NUMBER 2024	NUMBER 2023
EMPLOYEE NUMBERS		
Average number of employees during financial year	10	11

Note 34 Contingent asset

The Group had no contingent assets as at 30 June 2024.

Note 35 Contingent liabilities

The Group had contingent liabilities as at 30 June 2024 and 30 June 2023 that may become payable in respect of:

In accordance with normal oil and gas industry practice, the Group has entered into joint operations and farm-out agreements with other parties for the purpose of exploring and developing its petroleum interests. If a participant to a joint operation defaults and fails to contribute its share of joint operation obligations, then the remaining joint operation participants are jointly and severally liable to meet the obligations of the defaulting participant. In this event, the interest in the permit or licence held by the defaulting participant may be redistributed to the remaining participants. In the event of a default, a contingent liability exists in respect of expenditure commitments due to be met by the Group in respect of defaulting joint operation participants.

The Group occasionally receives claims arising from its operations in the normal course of business. In the opinion of the directors, all such matters are either covered by insurance or, if not covered, are without merit or are of such a nature the amounts involved would not have a material impact on the results.

No material losses are anticipated in respect of any of the above contingent liabilities.

Note 36 Events after balance sheet date

Other than the matters disclosed in this report, there has not been any matter or circumstance which has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

The financial statements were authorised for issue by the Board of Directors on 28 August 2024. The Board of Directors has the power to amend and reissue the financial statements.

Note 37 Exploration and development commitments

The Group has entered into joint operations for the purpose of exploring, developing and producing from certain petroleum interests. To maintain existing interests or rights to earn interests in those joint operations the Group will be expected to make contributions to ongoing exploration and development programs. Since such programs are subject to continual review by operating committees, upon which the Group is represented, the extent of future contributions in accordance with these arrangements is subject to continual renegotiation.

Subject to the above-mentioned limitations, the directors have prepared the following disclosure of exploration and development expenditure commitments not recognised in the consolidated financial statements. These are payable as follows, based on current status and knowledge of estimated quantum and timing of such commitments by segment.

2024	NEW ZEALAND DEVELOPMENT	CHINA EXPLORATION & DEVELOPMENT	AUSTRALIA DEVELOPMENT ¹	TOTAL
Within one financial year	1,083	3,629	-	4,712
Later than one financial year but not later than 5 financial years	-	-	-	-
Total	1,083	3,629	-	4,712

¹ Subsequent to period end the Group approved development commitments of US\$5.9 million (net to HZN) which will be incurred within one financial year.

2023	NEW ZEALAND DEVELOPMENT	CHINA EXPLORATION & DEVELOPMENT	TOTAL
Within one financial year	1,808	2,745	4,553
Later than one financial year but not later than 5 financial years	-	697	697
Total	1,808	3,442	5,250

The above commitments may be deferred or modified with the agreement of the host government, by variations to the terms of individual petroleum interests, or extensions to the terms thereof. Another factor likely to delay timing of these commitments is the potential lack of availability of suitable drilling rigs in the area of interest.

The commitments may also be reduced by the Group entering into farm-out agreements or working interest trades, both of which are typical of the normal operating activities of the Group.

In addition to the above commitments, the Group has invested funds in other petroleum exploration interests, but is not exposed to a contingent liability in respect of these, as it may choose to exit such interests at any time at no cost penalty other than the loss of the interests.

Note 38 Reconciliation of profit after income tax to net cash flows from operating activities

	CONSOLIDATED	
	2024 US\$'000	2023 US\$'000
PROFIT FOR FINANCIAL YEAR	25,900	43,852
Exploration and development expenditure written off/expensed	837	4,549
Depreciation expense	177	215
Movement in employee entitlement liabilities	39	51
Non-cash employee share-based payments expense	1,203	1,369
Amortisation expense	30,139	38,500
Amortisation of prepaid financing costs	33	240
Discount unwinding on provision for restoration	2,182	1,542
CHANGE IN OPERATING ASSETS AND LIABILITIES:		
Decrease/(Increase) in trade debtors	11,007	[264]
Decrease/(Increase) in other debtors and prepayments	140	[127]
(Increase)/Decrease in inventory	[6,577]	1,230
(Decrease) in net deferred tax liabilities	-	[4,536]
(Increase) in net deferred tax assets	[1,416]	-
(Decrease) in tax payable	[3,107]	[2,029]
Increase/(Decrease) in trade creditors	696	[12,945]
Increase in other creditors	2,964	313
NET CASH INFLOW FROM OPERATING ACTIVITIES	64,217	71,960

Note 39 Earnings per share

	CONSOLIDATED	
	2024 US CENTS	2023 US CENTS
(a) Basic earnings per share attributable to the ordinary equity holders of the Company	1.60	2.74
(b) Diluted earnings per share attributable to the ordinary equity holders of the Company	1.58	2.66
	2024 NUMBER	2023 NUMBER
WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,617,370,026	1,598,627,894
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,637,486,880	1,650,327,032
	2024 US\$'000	2023 US\$'000
RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE		
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	25,900	43,852

Information concerning the classification of securities

A. Partly paid ordinary shares

Partly paid ordinary shares carry the rights of fully paid ordinary shares and to that extent they have been recognised as ordinary share equivalents in the determination of basic earnings per share. All partly paid shares on issue are held by the Company.

Details regarding the partly paid ordinary shares are set out in Note 22a.

B. Performance rights and share appreciation rights granted as compensation

Performance rights and share appreciation rights (SARs) granted to employees under the Long-Term Incentive Plan or Employee Option Scheme issued are included in the calculation of diluted earnings per share to the extent to which they are dilutive. The SARs are considered to be contingently issuable shares and are treated as outstanding and included in the calculation of diluted earnings per share if the relevant performance hurdles have been met. Performance Rights and SARs have not been included in the determination of basic earnings per share.

Details regarding the options and share appreciation rights are set out in Note 32.

Note 40 Parent Entity financial information

[i] Summary financial information

The individual financial statements for the Parent Entity show the following aggregate amounts:

	PARENT ENTITY	
	2024 US\$'000	2023 US\$'000
STATEMENT OF FINANCIAL POSITION		
Current assets	38,511	29,560
Non-current assets	118,707	116,298
Total assets	157,218	145,858
Current liabilities	1,821	1,215
Non-current liabilities	193	239
Total liabilities	2,014	1,454
Net assets	155,204	144,404
Contributed equity	150,095	147,792
Share-based payments reserve	7,310	11,122
Accumulated losses	(74,967)	(74,967)
Profit reserve	72,766	60,457
Total equity	155,204	144,404
Profit for the financial year	49,164	70,911
Total comprehensive profit for the financial year	49,164	70,911

[ii] Guarantees entered into by the parent entity

The parent entity has provided guarantees in respect of bank loan of its subsidiaries amounting to US\$26,403,729 (2023: US\$7,939,200) and has also provided customary joint venture guarantees.

No liability has been recognised for guarantees provided. After factoring in the likelihood that the parent entity would be required to perform under the guarantees the fair value of the liability was not considered material.

[iii] Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023. For information about guarantees given by the parent entity, see above.

[iv] Contractual commitment for the acquisition of property, plant or equipment

As at 30 June 2024, the parent entity had no contractual commitments for the acquisition of property, plant or equipment (30 June 2023 – US\$Nil).

An aerial photograph of two large oil tankers sailing on a deep blue sea. The tankers have green upper hulls and red lower hulls. They are moving from the top left towards the bottom right, leaving white wakes behind them. The sun is reflecting off the water's surface, creating a shimmering effect. The text 'SHARE-HOLDER INFORMATION' is overlaid in large, bold, orange letters across the center of the image.

SHARE- HOLDER INFORMATION

DISTRIBUTION OF EQUITY SECURITIES

The distribution of equity security holders ranked according to size at 15 August 2024 was as follows:

ORDINARY SHARES					
SIZE OF HOLDING	SHARES	UNLISTED OPTIONS	SHARE APPRECIATION RIGHTS	PERFORMANCE RIGHTS	DEFERRED STI RIGHTS
1 to 1,000	295	-	-	-	-
1,001 to 5,000	469	-	-	-	-
5,001 to 10,000	855	-	-	-	-
10,001 to 100,000	2,348	-	-	-	-
100,001 and over	902	-	-	-	5
TOTAL	4,869	-	-	-	5

A total of 372 holders held less than a marketable parcel of 2,632 ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders of the Company's ordinary shares are listed below:

	NAME	NUMBER OF ORDINARY SHARES	% OF ISSUED ORDS
1	IMC Investments Limited	400,574,175	24.68
2	J P Morgan Nominees Australia Limited	363,785,205	22.41
3	Citicorp Nominees Pty Limited	184,868,815	11.39
4	HSBC Custody Nominees (Australia) Limited	52,986,764	3.26
5	BNP Paribas Nominees Pty Ltd	38,536,076	2.37
6	Mr Michael Francis Sheridan	27,433,289	1.69
7	Carrington Land Pty Limited	20,000,000	1.23
8	Mr Richard Cameron Beament and Mrs Sophie Nicole Beament	11,952,724	0.74
9	VLH Pty Limited	9,264,367	0.57
10	Kaluki Pty Limited	7,890,417	0.49
11	Neweconomy Com Au Nominees Pty Limited	7,049,613	0.43
12	Amidor Investments Pty Limited	6,250,000	0.39
13	Botanic Farm Pty Limited	6,158,920	0/38
14	Spinel Investments Pty Limited	5,854,604	0.36
15	Brides Pty Limited	5,550,000	0.34
16	Mr Kyle Christopher Keen and Ms Janine Jacqueline Gossman	4,801,966	0.30
17	Mr Anthony James Emmett	4,526,712	0.28
18	Mr John Bernard Porteous	4,313,593	0.27
19	Berne No 132 Nominees Pty Limited	4,000,000	0.27
20	Merryl Lynch (Australia) Nominees Pty Limited	3,837,123	0.25
Total		1,169,584,363	72.06

ISSUED SECURITIES

Issued securities as at 15 August 2024:

SECURITY	NUMBER ON ISSUE	NUMBER OF HOLDERS
Ordinary fully paid shares ¹	1,622,962,814	4,869
Ordinary partly paid shares	1,500,000	1
Unlisted deferred STI rights	4,315,706	5

¹ The Company's ordinary fully shares are listed on the Australian Securities Exchange.

SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

ORDINARY SECURITY	NUMBER OF ORDINARY SHARES	% OF ISSUED ORDS
IMC Investments Ltd (an associate of Austral-Asia Energy Pty Ltd)	400,574,175	24.68
Samuel Terry Asset Management Pty Limited	314,232,423	19.36
Spheria Asset Management Pty Limited	106,379,080	6.55
Total	821,185,678	50.59

VOTING RIGHTS

Ordinary shares – fully paid

Voting of members is governed by the Company's Constitution. In summary, every member present in person or by proxy attorney or representative shall have one vote on a show of hands and one vote for each share on a poll.

Ordinary shares – partly paid

Voting of members is governed by the Company's Constitution. In summary, every member present in person or by proxy attorney or representative shall have one vote on a show of hands and upon a poll, is entitled to one vote to the proportion of the total issue price then paid up.

Deferred STI rights - unlisted

No voting rights.

GLOSSARY

A-IFRS	Australian equivalents to International Financial Reporting Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
bbl(s)	Blue barrel(s), oil barrel volume is 0.159 cubic metres
bcf	Billion cubic feet of natural gas
boe	Barrel of oil equivalent. The factor used to convert gas to oil equivalent is based upon an approximate energy value of 6,000 cubic feet per barrel and not price equivalence at the time
boepd	Barrel of oil equivalent per day
bopd	Barrel of oil per day inclusive of NGLs
CNOOC	China National Offshore Oil Corporation
EBITDAX	Earnings before interest, tax, depreciation, depletion and amortisation, and exploration expenses
ESP	Electrical submersible pump
FID	Final investment decision
FPSO	Floating production, storage and offloading vessel
GST	Goods and services tax
JOA	Joint operating agreement
km	Kilometres
LIBOR	London inter-bank offered rate
LNG	Liquified natural gas
mmbbl/mmbo	Million barrels of oil
mmboe	Million barrels of oil equivalent
mmcfb	Millions cubic feet barrels
NDRC	National Development and Reform Commission
NGL(s)	Natural gas liquid(s)
OTCQB	OTC Markets Group Venture Market
ODP	Overall Development Plan
PEP	Petroleum exploration permit
PMP	Petroleum mining permit
Reserves	Reserves as included in this report refers to both Proven and Probable reserves [2P]. Proven and Probable reserves are reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable – there is at least a 50% probability that reserves recovered will exceed Proven and Probable reserves.

Contingent Resources	The Company's technically recoverable resources [2C] for its discovered oil and gas fields are classified as contingent resources. These resources would be expected to be booked in reserves [Proven and Probable reserves] once commercialisation arrangements have been finalised.
PSA	Production Sharing Agreement
SDA	Supplemental Development Agreement
SPE-PRMS	Society of Petroleum Engineers – Petroleum Resources Management System
Sq km	Square kilometres
tcf	Trillion cubic feet of natural gas
USD / US\$	United States dollars
WHP	Wellhead platform
WOU	Workover unit
2D Seismic	Seismic recorded in 2 dimensions
3D Seismic	Seismic recorded in 3 dimensions

Board of Directors	Michael Harding (Chairman) Richard Beament (Chief Executive Officer) Sandra Birkenleigh Gregory Bittar (Alternate: Bruno Lorenzon) Bruce Clement Nigel Burgess
Company Secretary	Vasilios [Vas] Margiankakos
Assistant Company Secretary	Kyle Keen
Australian Registered Office [Principal place of business]	Level 4, 360 Kent Street, SYDNEY NSW 2000 Telephone: +[612] 9332 5000 Facsimile: +[612] 9332 5050 Email: info@horizonoil.com.au Website: www.horizonoil.com.au
Domicile and country of incorporation	Australia
Share Registrar	Computershare Investor Services Pty Limited 6 Hope Street Ermington NSW 2115 Telephone: +[613] 9415 4000
Solicitors	King & Wood Mallesons Level 30 Waterfront Place 1 Eagle Street BRISBANE QLD 4000
Auditor	PwC One International Towers Sydney Watermans Quay, Barrangaroo SYDNEY NSW 2000
Stock Exchange	Horizon Oil Limited shares are listed on the ASX (ASX code: HZN) and the US OTC Markets Group (OTCQB: HZNFF)
Notice of annual general meeting	The Annual General Meeting of Horizon will be held at: Cliftons Level 13, 60 Margaret St Sydney NSW 2000 Time: 10.00am Date: 20 November 2024



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