ASX:HZN

QUARTERLY REPORT

Period ending 31 December 2025

HORIZON

Highlights

Payment of final FY25 Dividend

- Cumulative distributions paid over the past 5 years are now more than A$250 million following the payment of the FY25 final dividend (AUD 1.5 cents per share) on 24 October 2025.

Robust continued cashflow and production growth [3]

- Production and sales volumes for the quarter increased by 18% and 17% to 578,393 boe and 566,889 boe respectively, reflecting the first full quarter of Thailand production and continued strong performance from the Group's legacy assets.
- Production revenue increased 2.7% to US$27.4 million, aided by over US$6 million in revenues generated from the Group's newly acquired Thailand assets. Calendar year production revenues totalled US$102.6 million.
- Net operating cash flow[1] for the quarter was US$15.8 million.
- Group cash operating costs maintained at approximately US$20/boe, aided by low-cost Thailand production.
- Cash reserves at the end of the quarter were US$35.6 million, with a modest net debt[2] position at 31 December 2025 of US$9.8 million following the FY25 final dividend paid in October of US$16 million. An additional US$8.9 million cash receipt is due shortly associated with the December Maari oil lifting, which will further replenish cash reserves.
- A binding Letter of Intent was signed with Northern Territory's Power and Water Corporation to supply uncontracted Mereenie gas through to end 2034, and support drilling two additional infill wells later this year.
- A commodity hedge position remains in place, with 185,000 bbls of oil hedged at a weighted average price of ~US$64/bbl through May 2026, focusing on nearer term Maari and Block 22/12 scheduled liftings.

Immediate impact in Thailand

- Thailand production and sales increased by ~82% in the quarter, and now represents approximately a third of Horizon Group production. With its low operating cost base, Thailand contributed just under 30% of the Group's net operating cashflow in the quarter.
- Field optimisation at Nam Phong delivered an estimated ~7% improvement in production rates with no additional capital expenditure, and FID reached on the Nam Phong Booster Compressor, forecast to lift field production by at least 40% from mid-2026.

1. Net operating cashflow represents total revenue less direct production operating expenditure (including workover costs).
2. Net debt/cash is non-IFRS financial information and represents cash on hand minus the nominal value of debt outstanding. This metric is widely used in the oil and gas industry.
3. All reported numbers for Thailand in this report represent Horizon's effective working interest in the assets since the completion date of 1 August 2025 - 7.5% of Sinphuhorm and 60% of Nam Phong. Horizon holds these interests via its 75% shareholding in MH Energy Thailand Pty Limited (MHET) which will be equity accounted as an investment for financial reporting purposes.
4. Financial results contained in this quarterly are unaudited.

CHIEF EXECUTIVE OFFICER'S COMMENTARY

This has been another strong quarter for the Company, highlighted by the first full quarter of production from our Thailand assets which helped drive production growth of almost 18%, building on the 37% increase in production during the September quarter. This, together with the ten-year permit extension at Maari awarded last quarter, continues to reinforce the step-change in the Group's production base and supports sustained long-term cashflow generation. Thailand contributed meaningfully to the quarter, with both Sinphuhorm and Nam Phong performing above nominations, while production across our legacy assets in China, New Zealand and the Northern Territory remained consistent with plan and supported by targeted workovers and ongoing optimisation activities. These outcomes, combined with continued strong cashflow generation, enabled the Company to maintain its disciplined focus on shareholder returns, including payment of the final FY25 dividend of AUD 1.5 cents per share whilst also repaying debt during the quarter.

I am particularly pleased with the seamless integration of the Thailand assets into our portfolio and the strong collaboration with our partners, Matahio and PTTEP. Early optimisation work at Nam Phong delivered measurable improvements in production performance, and a range of growth initiatives continues to progress across the asset base. Importantly, the Nam Phong Joint Venture reached FID on the Booster Compressor Project just after the quarter, a key step in unlocking material additional gas volumes from mid-2026. This collaboration, combined with the quality of the underlying reservoirs, positions these assets to make a growing contribution to the Company's performance going forward.

The signing of a binding letter of intent (LOI) with Power and Water Corporation in the Northern Territory for the firm supply of uncontracted Mereenie gas until the end of 2034 was another key achievement during the quarter and further demonstrates the critical role of Mereenie in supporting the NT's energy needs. The LOI also accelerates and helps to underwrite the drilling of two additional infill wells being planned for later in the year which will help to further unlock the remaining value in the asset.

During the quarter, significant resources were also applied by the Block 22/12 joint venture towards maturing a possible further significant phase of development of the WZ12-8E field. Feasibility studies are ongoing.

Whilst oil prices continued to fall into a US$60-65/bbl range during the quarter impacting revenues, the Company remains in a strong financial position, and through our continued focus on careful and considered investment in the asset base, we remain well placed to execute our strategy and continue to prioritise returns to shareholders.

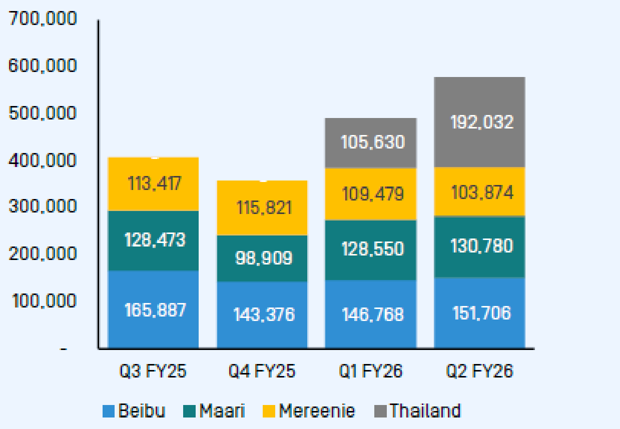
Richard Beament

Chief Executive Officer

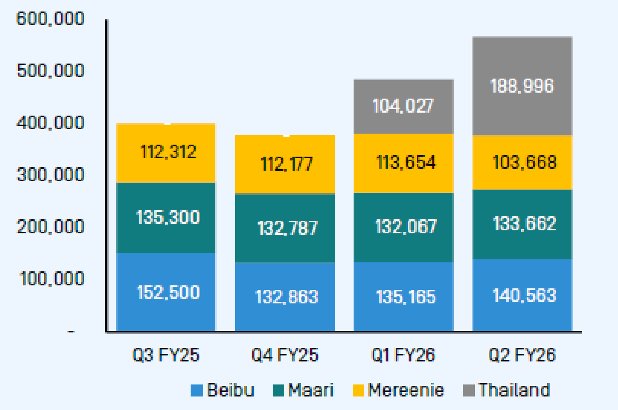
COMPARATIVE PERFORMANCE

Period ending 31 December 2025

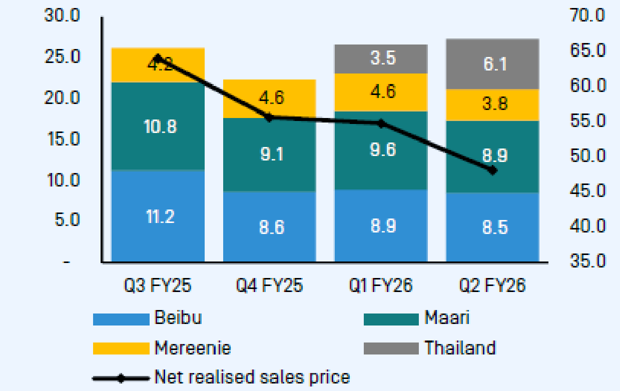
Oil & gas production (boe)



Oil & gas sales (boe)

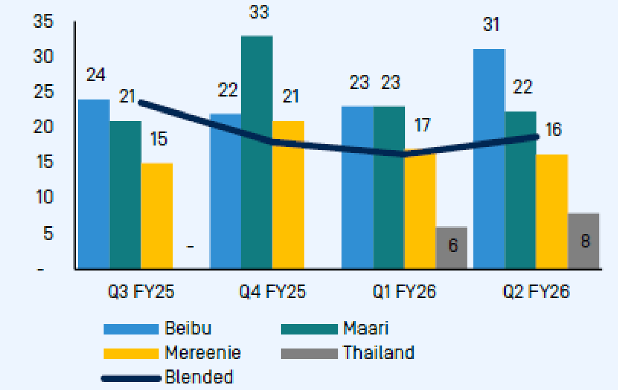


Revenue[1] (US$m)



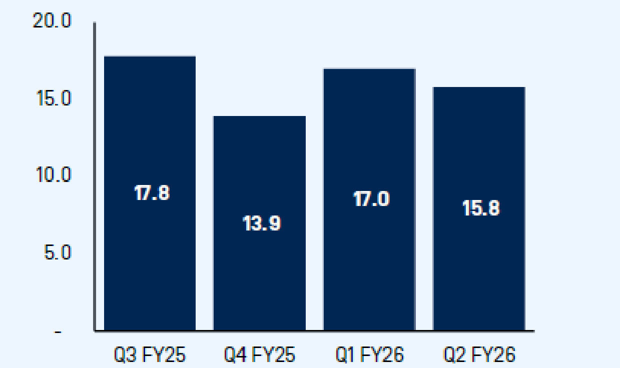
[1] excluding hedge settlements

Operating expenditure[1] (US$/boe)



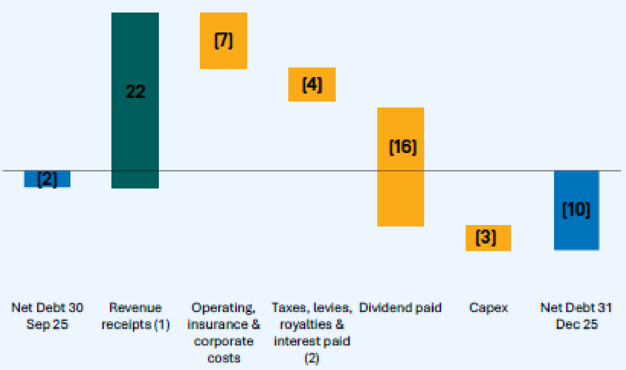
[1] excluding workover expenditures

Operating cash flow[1] (US$m)



[1] Operating cash flow represents cash in-flows from revenue less operating expenditure

Net debt (US$m)



[1] Cash receipts generally have a one-month lag from the point of revenue recognition.
[2] Quarterly China income tax and special oil gain levy, Maari quarterly income tax and royalty payment.

Notes:

a. Financial results contained in this quarterly are unaudited.

b. Statements contained in this report, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Horizon, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

FINANCIAL SUMMARY

OIL & GAS PRODUCTION AND SALES	Q2 FY26 Boe[3]	Q1 FY26 Boe[3]	Change %	Calendar Year 2025 Boe[3]
Block 22/12 (Beibu Gulf), Offshore China				
Crude oil production (NW)[1]	151,706	146,768	3.4%	607,738
Crude oil sales	140,563	135,165	4.0%	561,090
PMP 38160 (Maari & Manaia), Offshore New Zealand				
Crude oil production (NW)[1]	130.780	128,550	1.7%	486,712
Crude oil inventory on hand	16,742	21,514	(22.2%)	16,742
Crude oil sales	133,662	132,067	1.2%	533,816
OL4 and OL5, Mereenie, Onshore Australia[3]				
Crude oil production (NW)[1]	103,874	109,479	(5.1%)	442,591
Crude oil inventory on hand	3,412	3,535	(3.5%)	3,412
Crude oil and gas sales	103,668	113,654	(8.8%)	441,811
Sinphuhorm & Nam Phong, Onshore Thailand[3,4]				
Crude oil and gas production	192,032	105,630	81.8%	297,662
Crude oil and gas sales	188,996	104,027	81.7%	293,023
TOTAL OIL AND GAS PRODUCTION AND SALES				
OIL AND GAS PRODUCTION	**578,393**	**490,428**	**17.9%**	**1,834,703**
OIL AND GAS SALES	**566,889**	**484,912**	**16.9%**	**1,829,741**

Notes:

1. Production amounts are shown on a net working interest basis (NWI).
2. Amounts may not cast due to the rounding of balances.
3. References to BOE refers to barrels of oil equivalent where 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 5.816 PJ equals one million barrels of oil equivalent.
4. All reported numbers for Thailand in this report represent Horizon's effective working interest in the assets since the completion date of 1 August 2025 - 7.5% of Sinphuhorm and 60% of Nam Phong. Horizon holds these interests via its 75% shareholding in MH Energy Thailand Pty Limited (MHET) which will be equity accounted as an investment for financial reporting purposes.

FINANCIAL SUMMARY

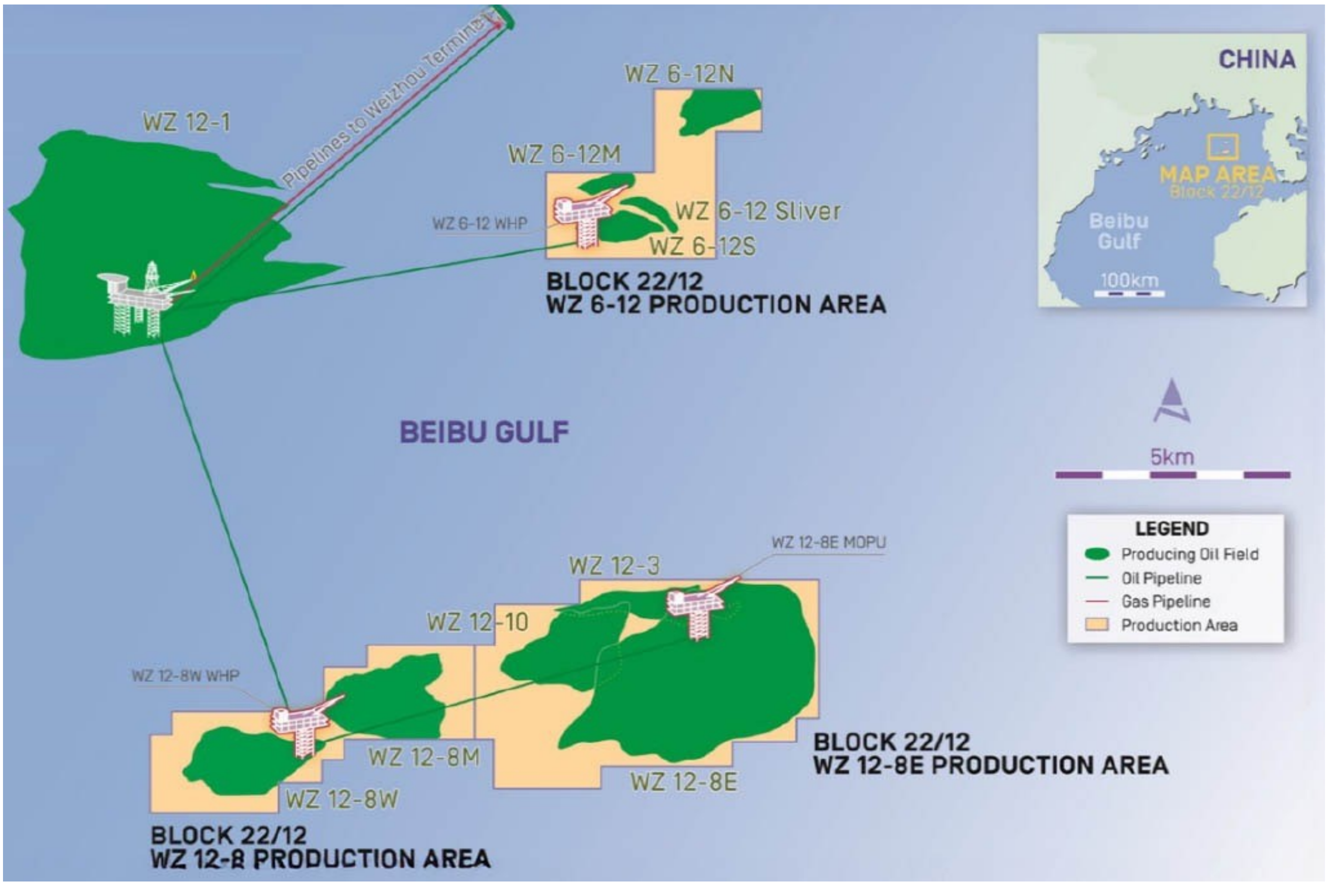
PRODUCING OIL AND GAS PROPERTIES	Q2 FY26 US$'000	Q1 FY26 US$'000	Change %	Calendar Year 2025 US$'000
Block 22/12 (Beibu Gulf), Offshore China				
Production revenue[1]	8,548	8,894	(3.9%)	37,198
Operating expenditure	4,717	3,307	42.6%	15,105
Workovers	894	94	>100%	1,204
Special oil gain levy	-	77	(100%)	486
PMP 38160 (Maari & Manaia), Offshore New Zealand				
Production revenue[1]	8,920	9,605	(7.1%)	38,473
Operating expenditure	2,914	2,924	(0.4%)	11,810
Workovers	10	886	(98.9%)	1,105
Inventory adjustments[2]	259	762	(66.1%)	3,753
OL4 and OL5, Mereenie, Onshore Australia				
Production revenue	3,830	4,645	(17.6%)	17,277
Operating expenditure	1,685	1,838	(8.3%)	7,738
Inventory adjustments[2]	176	63	>100%	180
Sinphuhorm & Nam Phong, Onshore Thailand[5]				
Production revenue	6,086	3,517	73%	9,603
Operating expenditure	1,518	635	>100%	2,153
TOTAL PRODUCING OIL AND GAS PROPERTIES				
Production Revenue	**27,384**	**26,662**	**2.7%**	**102,551**
Oil hedging settlements	137	59	>100%	1,140
Total Revenue (incl. hedging settlements)	**27,521**	**26,721**	**3.0%**	**103,691**
Direct production operating expenditure	11,737	9,762	20.2%	39,192
Net Operating Cash Flow[3]	**15,784**	**16,959**	**(6.9%)**	**64,499**
DEVELOPMENT EXPENDITURES[4]				
PMP 38160 (Maari & Manaia), New Zealand	512	105		2,475
Block 22/12 (Beibu Gulf), offshore China	1,076	56		4,191
OL4 & OL5, (Mereenie), onshore Australia	150	139		4,539
Sinphuhorm & Nam Phong, onshore Thailand[5]	-	-		-
Total capital expenditure	**1,738**	**300**		**11,205**
LIQUIDITY				
Cash on hand	35,606	45,962		35,606
Debt facility[6]	(45,372)	(47,919)		(45,372)
NET DEBT[7]	**(9,766)**	**(1,956)**		**(9,766)**

Notes:
1. Represents gross revenue excluding hedge gains and losses.
2. Represents an accounting adjustment for cost of crude oil inventory sold or produced during the period.
3. Represents total revenue less direct production operating expenditure (including workover costs).
4. No exploration activities were undertaken during the quarter.
5. All reported numbers for Thailand in this report represent Horizon's effective working interest in the assets since the completion date of 1 August 2025 - 7.5% of Sinphuhorm and 60% of Nam Phong. Horizon holds these interests via its 75% shareholding in MH Energy Thailand Pty Limited (MHET) which will be equity accounted as an investment for financial reporting purposes.
6. Represents principal amounts drawn down at 31 December 2025, translated into USD at the period end spot exchange rate.
7. Net debt/cash is non-IFRS financial information and represents cash on hand minus debt. This metric is widely used in the oil and gas industry.
8. Amounts may not cast due to the rounding of balances.

PRODUCTION

Block 22/12, Beibu Gulf, offshore China

(Horizon: 26.95%)



Gross oil production for the quarter averaged 6,119 bopd (1,649 bopd net to Horizon), a 3.4% increase on the prior quarter, despite reduced output during workovers on a number of production wells and a water-disposal well. Operations were also briefly interrupted 3–7 October due to Typhoon Matmo, with facilities safely de-manned and subsequently remanned, and production restored thereafter.

Net sales for the quarter were 140,563 bbls, generating revenue of US$8.5 million. Cash operating costs for the quarter were US$31.09/bbl (produced), excluding the costs of workovers. Operating costs in the quarter were impacted by year end accruals with the 2025 calendar year operating cost averaging US$24.85/bbl produced.

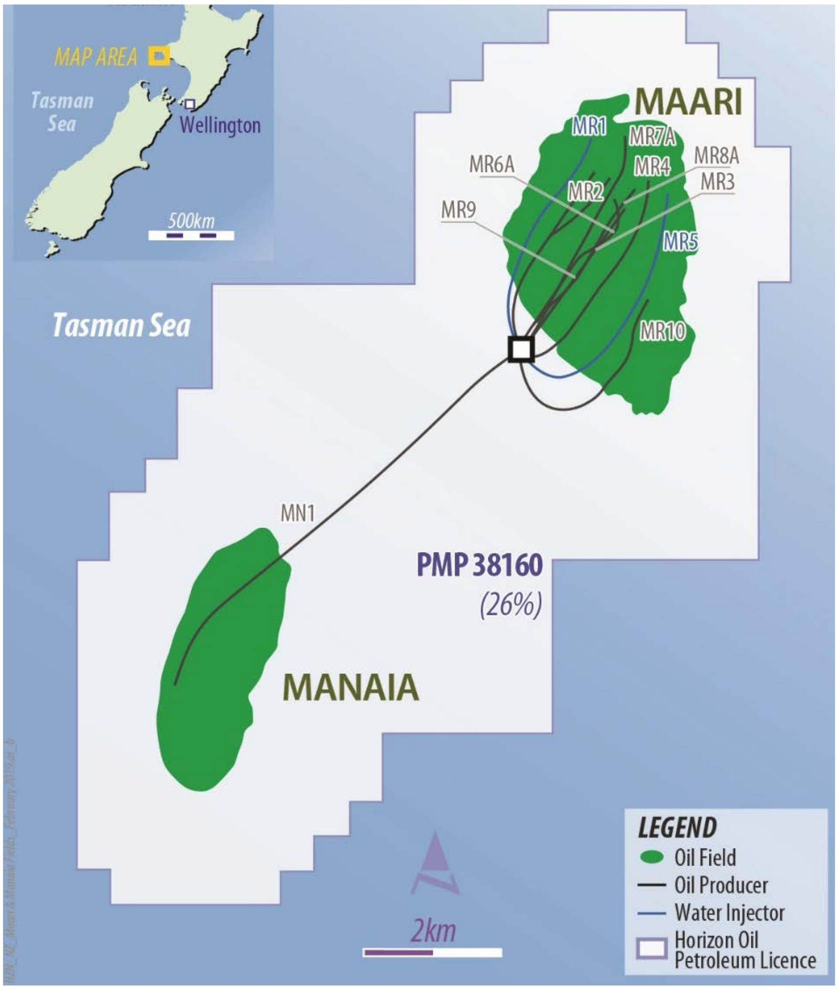
Multiple workovers and slickline activities were completed across the China assets over the period. These included the October workover on WZ6-12-A2, the mid-December workover on the WZ12-8E-A7 water disposal well to add ~250 m of new perforations and install larger tubing, and the December water-shut-off treatment on WZ12-8E-A12H. A six-well workover program commenced in late December on the WZ12-8W field, with larger ESP's installed in WZ12-8W-A2H, A3H, A4H and A5H, and the subsequent mid-January cleanout workover on WZ12-8W-A9H.

Commissioning and ramp-up of the PUQB water-treatment train is anticipated to bring additional liquid handling capacity online in late Q1 2026, which in turn is expected to result in an increased oil production rate.

The Joint Venture have agreed on the CY26 work program, including a workover program designed to maintain current field production rates. The joint venture is also continuing work on a possible further significant phase of development of the WZ12-8E field involving a potential multi-well program. Feasibility studies are ongoing and any further development remains subject to customary joint venture and regulatory approvals.

PRODUCTION

PMP 38160, Maari/Manaia fields, Taranaki Basin, offshore New Zealand (Horizon: 26%)



Production performance through the quarter remained stable, with an average 5,467 bopd gross (1,422 bopd net to Horizon), consistent with the last quarter. Cash operating costs averaged US$22.28/bbl produced. A ~514kbbl offtake was completed in late December resulting in net sales of 133,662 bbls, generating revenue of US$8.9 million.

Regular asset integrity and maintenance activities continued, including the management of statutory compliance requirements, corrosion monitoring, and forward maintenance planning. Regulatory workstreams advanced in parallel, with internal reviews of the combined marine consent and marine discharge consent application underway.

In mid-January, after the reporting period ended, the MR7A electric submersible pump (ESP) failed and the well was taken offline. A workover is planned for early February and the joint venture expects the well to return to service in the second half of the month.

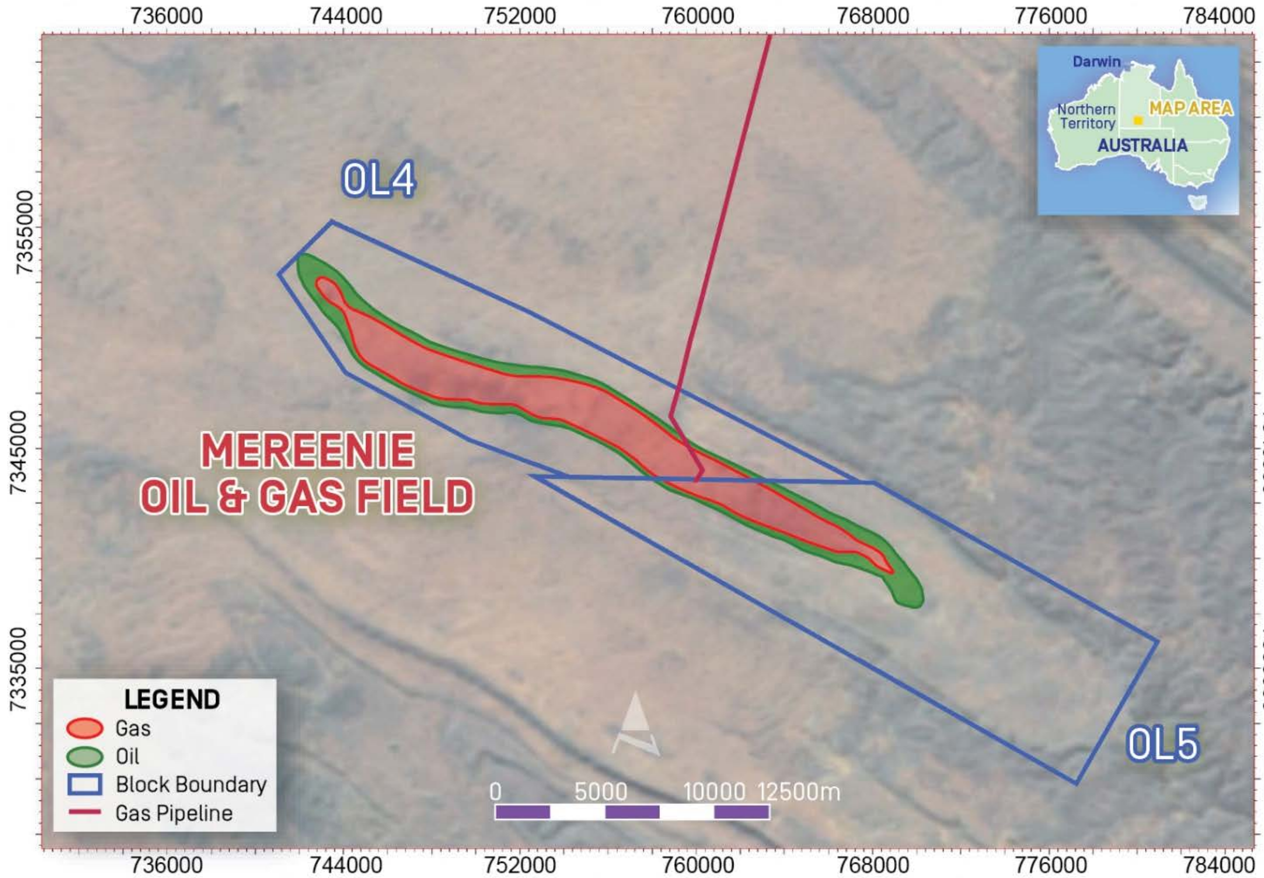
A ten-day inspection and maintenance shutdown is scheduled for CY Q1 2026.

The New Zealand Government has finalised Financial Assurance regulations relating to decommissioning liabilities. Horizon expects these measures to be implemented during the 2026 calendar year and will continue to monitor regulatory developments closely.

PRODUCTION

OL4 and OL5, Mereenie, NT, Australia

(Horizon: 25%)



Mereenie production averaged 25.2 TJ/d for the quarter (6.3 TJ/d net to Horizon), slightly lower than the previous quarter, primarily due to liquids handling constraints. These limitations were resolved toward the end of the period, with production returning to approximately 28 TJ/d. Despite marginally lower gas output and a strengthening US dollar, quarterly revenues remained strong at US$3.8 million, supported by improved gas prices under newer GSAs.

Operationally, liquids export rates increased during December, alleviating the liquids-related capacity constraints observed earlier in the quarter.

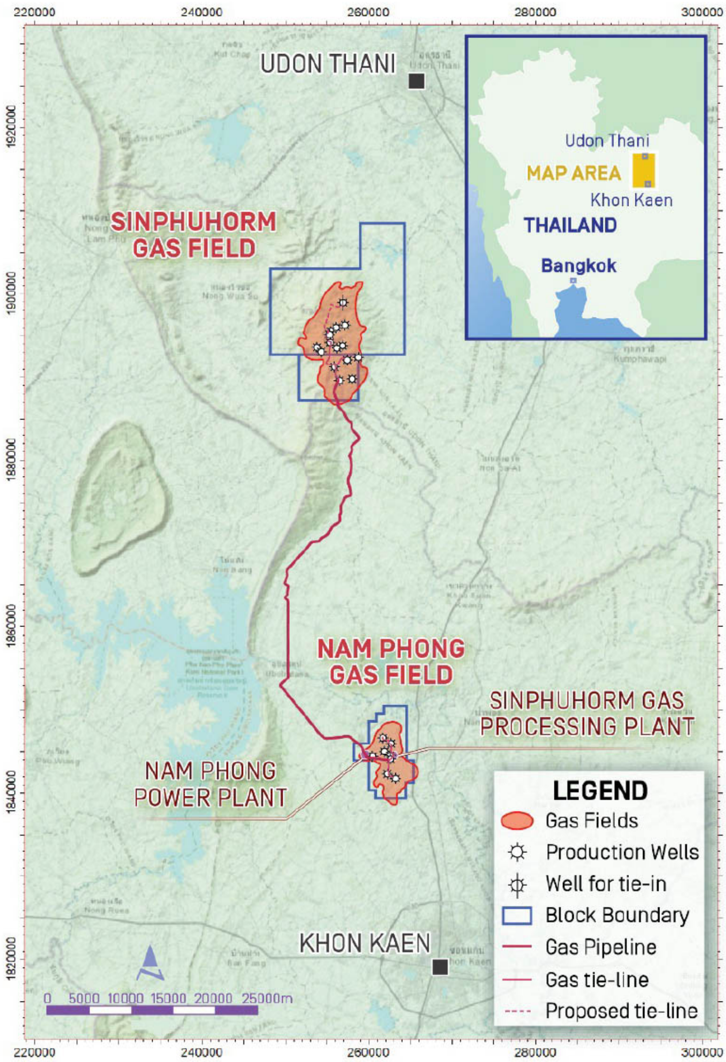
Commercial progress during the quarter was significant. In October, the JVs executed a firm Gas Supply Agreement with McArthur River Mining (MRM) for 4.9 PJ of gas supply across 2026–27, providing fixed-price, take-or-pay certainty and additional upside through as-available sales. In December, the JVs signed a binding Letter of Intent (LOI) with the Northern Territory's Power and Water Corporation (PWC) to underpin long-term firm offtake of uncontracted Mereenie gas through to the end of 2034, and to support immediate commencement of early works for an accelerated two-well development program (WM31 and WM32). Early works now underway include long-lead procurement, civil preparation and rig-selection activities, with drilling targeted to commence in late 2026. Under the LOI, the JVs may be reimbursed by PWC for early-works expenditure should binding GSAs not be executed by 20 February 2026. Documentation of binding GSAs is in progress.

PRODUCTION

Sinphuhorm & Nam Phong, Thailand

(Horizon: Sinphuhorm 7.5%; Nam Phong 60%)

Production from Sinphuhorm and Nam Phong for the quarter averaged ~2,087 boepd net to Horizon. Sinphuhorm delivered average gas sales of 111.42 TJ/d (8.4 TJ/d net) and condensate sales of 210 bopd (16 bopd net), while Nam Phong averaged 5.8 TJ/d (3.5 TJ/d net) over the period. Gas sales at both fields were consistently above nominations, except for an 11-day period in November when one Sinphuhorm booster compressor was offline for repair. Nam Phong production continued to exceed nominations through the quarter.



Following the September JV "Produce the Limit" workshop, the Operator progressed field-wide optimisation trials at Nam Phong. Implementation of the refined Reservoir Management Plan has delivered an estimated 7% uplift on the field's forecast production rates, achieved without any capital expenditure. These operating improvements are now being embedded into the long-term production strategy.

The Nam Phong Booster Compressor Project reached Final Investment Decision (FID) at quarter end. A refurbished gas-engine-driven compressor will be installed, using treated field gas as fuel. This low-cost configuration, selected for its shorter delivery time and ability to unlock additional reserves, is forecast to lift field output by at least 40% once operational in mid-2026, subject to reservoir performance. The lease - operate - maintain contract has now been executed, with procurement and site preparation underway.

At Sinphuhorm, EPC contracts for Wellpad D and the associated flowline were awarded in early September. Contractors mobilised in November, with line pipe arriving at port in early January. The project remains on track for the PH-14 start-up in September 2026. Plans are also advancing for the Q4 2026 tie-in of PH1-ST, following additional perforations.

Across both fields, JV coordination remained strong throughout the period, with preventative maintenance, optimisation initiatives and development planning progressing to schedule.

As outlined at acquisition in August, up to US$7.5 million in contingent payments were potentially payable; however, with the relevant condition lapsing at the end of CY25, US$1.5 million of this amount will not be paid, and the remaining US$6 million remains contingent.

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. Mr Douglas' qualifications include a Master of Reservoir Evaluation and Management from Heriot Watt University, UK and more than 25 years of relevant experience. Mr Douglas consents to the use of the petroleum reserves and resources estimates in the form and context in which they appear in this statement.

Authorisation

This ASX announcement is approved and authorised for release by the Company Secretary on 29 January 2026.

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