



RIU GOOD OIL & GAS ENERGY CONFERENCE

8 SEPTEMBER 2021

HORIZON – WHO WE ARE

LOW COST OIL PRODUCER WITH ASSETS IN CHINA AND NZ

- Highly leveraged to the oil price
- Non – Operator / Sydney based
- Net Production ~3,750 bopd
- US\$63.6 million revenue FY2021
- Currently US\$13 million debt / US\$14 million cash
- EV/EBITDAX ratio 2.5x
- Significant capital management initiatives during 2021
 - Off market and on-market buybacks
 - A\$47.4 million capital returned (30 – 40% yield)
- Targeting US\$25-35 million free cashflow FY 2022



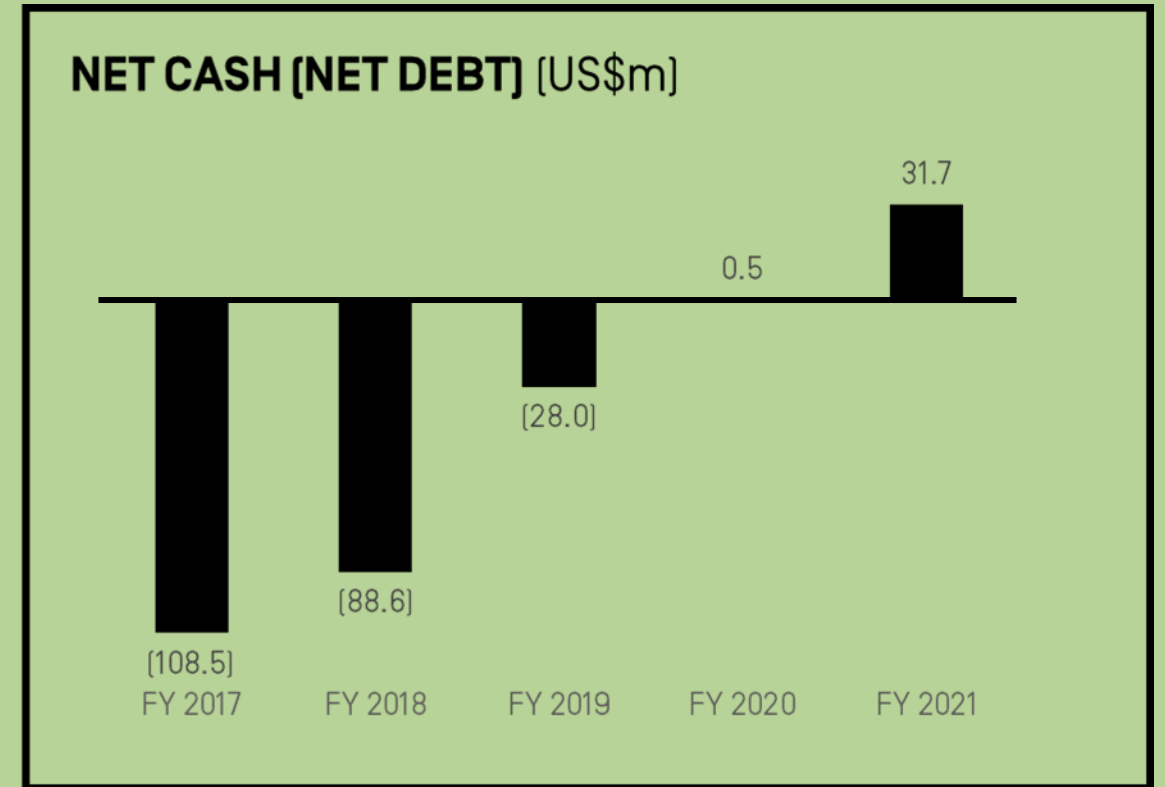
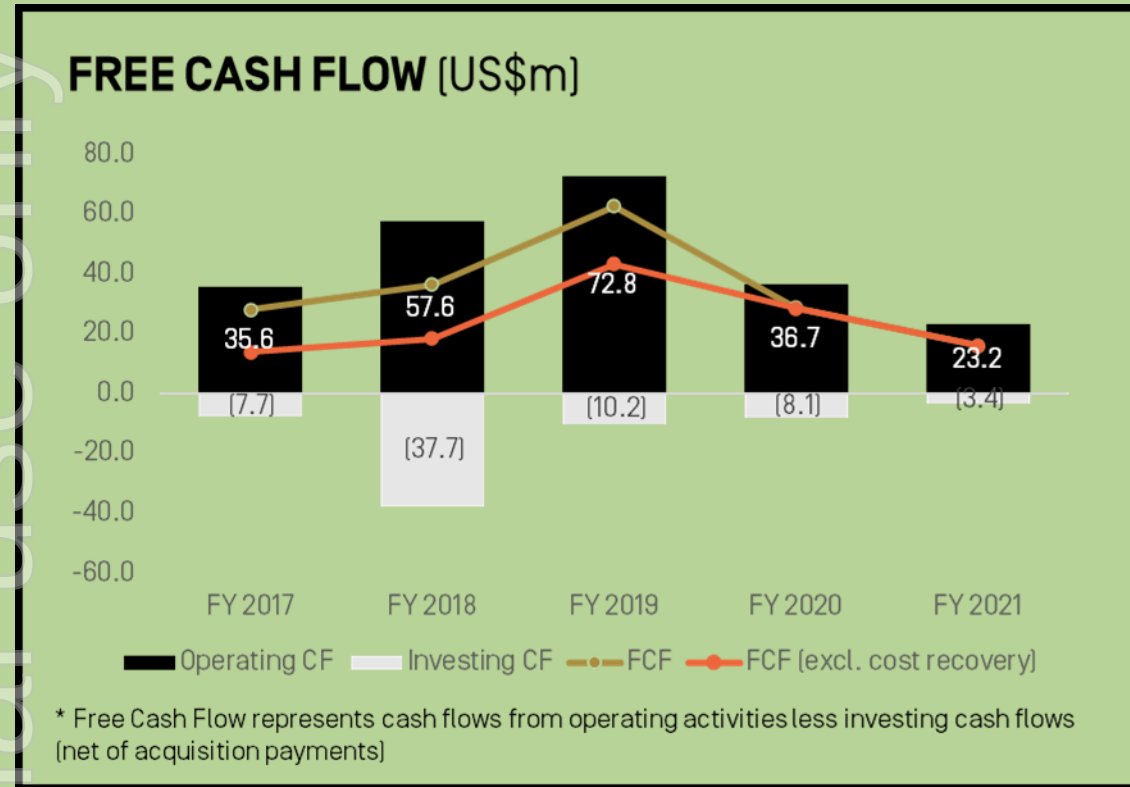
FY21 LOOK-BACK

RESILIENT CASHFLOW DESPITE COVID WHICH ADVERSELY AFFECTED OPERATIONS AND OIL PRICES

- **Cashflow positive during low oil prices** – cashflow from operating activities of US\$23.2 million
- **Strengthened balance sheet** – net cash of US\$31.7 million at 30 June 2021, an increase of US\$31.2 million during the financial year
- **Efficient operations** – continued rationalisation of operating costs <US\$20/bbl
- **Drilling activities** – investment during the low oil price environment resulted in increased production as the oil price strengthened
- **Workovers** – 10 workovers across both fields safely completed

HZN Results	FY 2021
Production Volumes [MMbbl]	1.33
Sales Volumes [MMbbl]	1.27
Revenue [USD]	\$63.6 million
EBITDAX [USD]	\$36.4 million
Underlying Profit after tax [USD]	\$7.8 million
Statutory Profit/(Loss) after tax [USD]	\$8.0 million
Net Cash [USD] at 30 June	\$31.7 million
Cash [USD] at 30 June	\$44.4 million
Note: ~US\$35 million returned to shareholders as a capital return during August of 2021.	

FY21 LOOK-BACK: POSITIVE FREE CASHFLOW & INCREASED NET CASH POSITION



Positive free cash flow with disciplined investment in exploration and development activities

Low-cost production, option proceeds and PNG divestment ensured continued build in the net cash position despite low oil prices

Net cash of US\$31.7 million as at 30 June 2021, an increase of US\$31.2 million over the financial year

THE PRODUCING ASSETS

OFFSHORE / MID-LIFE / MATERIAL JV INTERESTS



China, Beibu Gulf, 26.95% / 55% [exp.]

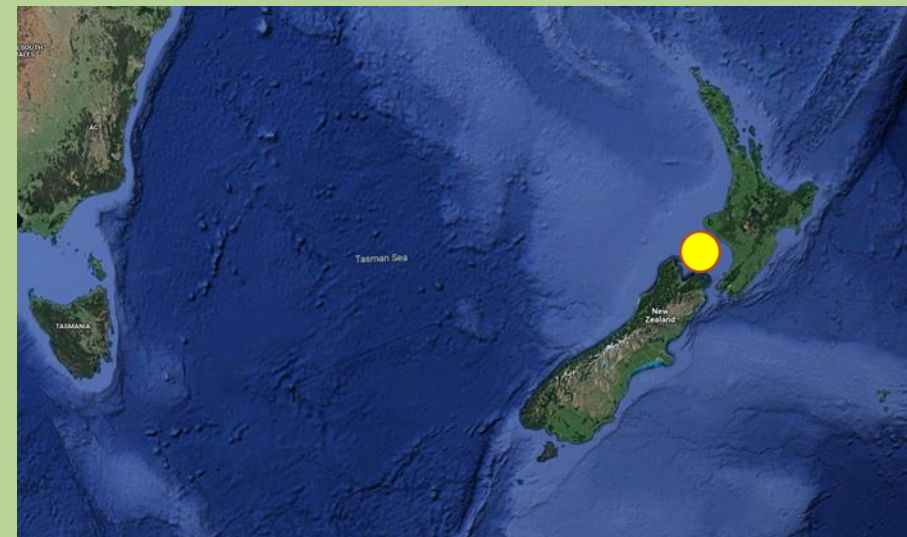
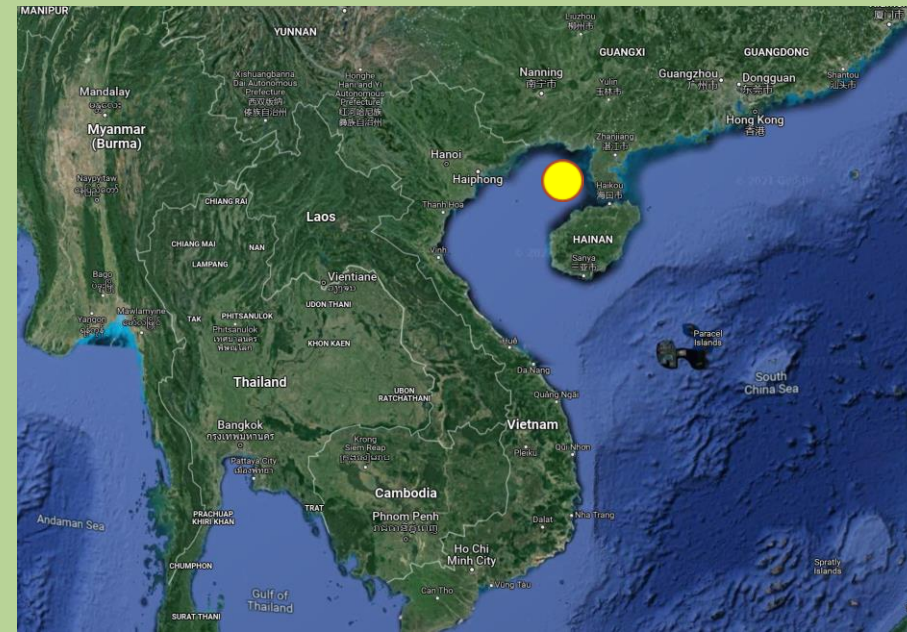
- CN00C Operator [51%]
- Roc Oil [19.6%]
- Majuko Corp. [2.45%]



New Zealand, Maari, 26%

- OMV Operator* [69%]
- Cue Energy [5%]

* Sale to Jadestone Energy pending NZ Regulatory approvals



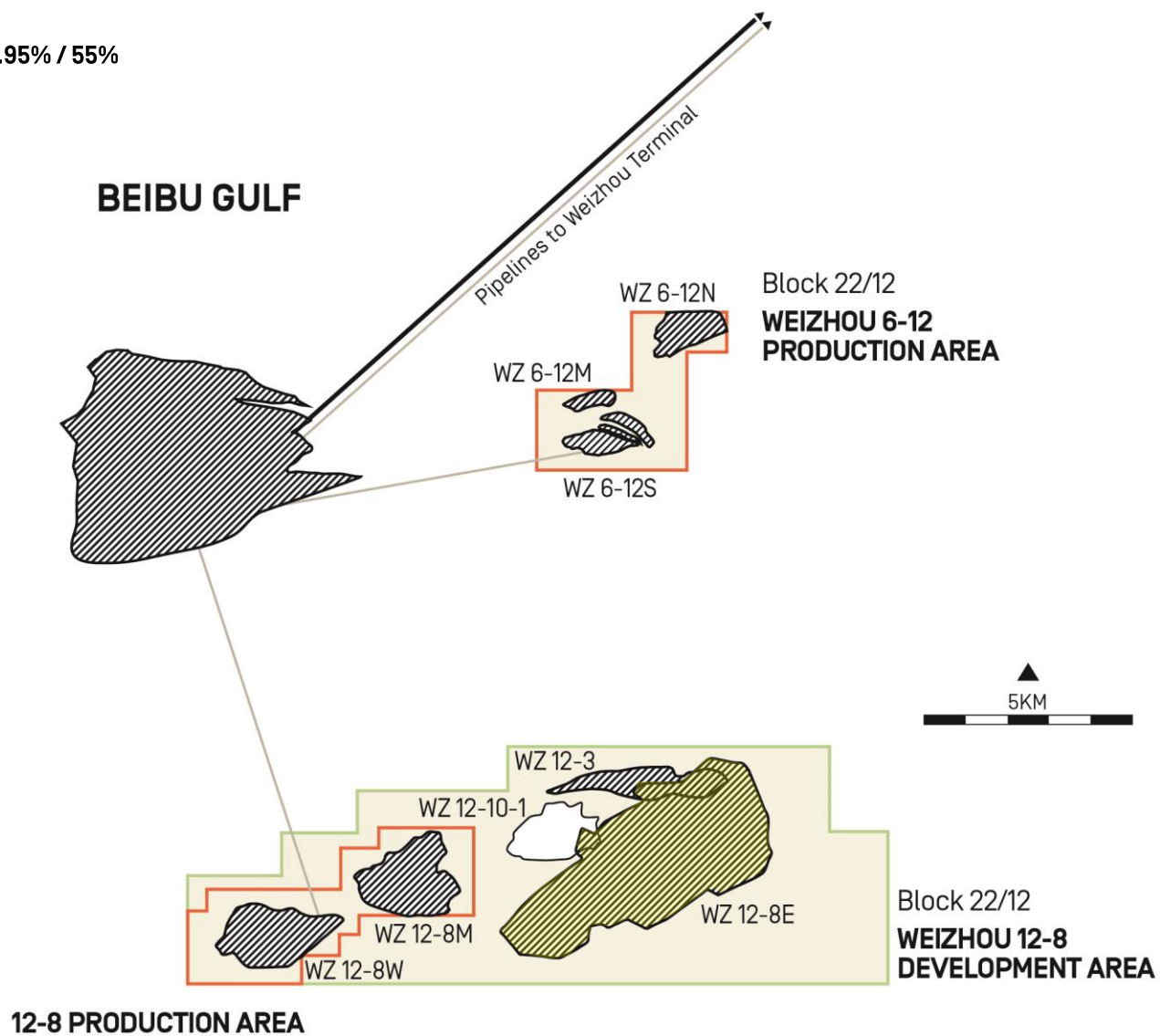
CHINA

Block 22/12 [Beibu Gulf] 26.95% / 55%

- Oil Field
- Discovered Oil Field
- Oil Pipeline
- Gas Pipeline
- Production Area
- Development Area

Reserves & Resources [MMbbl]

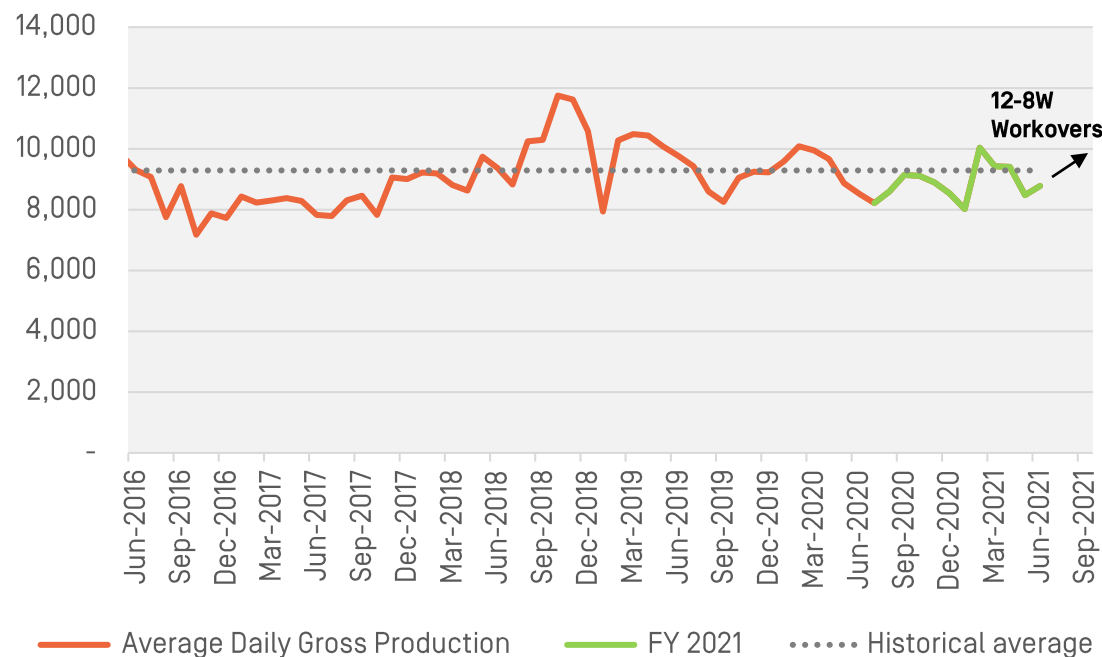
	Gross	Net
2P	12.6	3.4
2C	4.8	1.3



RELIABLE, HIGH MARGIN PRODUCTION

CHINA - BLOCK 22/12

BLOCK 22/12 PRODUCTION HISTORY & OUTLOOK



- Current gross production rate >9,000 bopd.
- Production rates maintained through infill and nearfield drilling, installation of additional water handling capacity and production optimising well workovers.
- JV evaluating infill well and near-field exploration opportunities, which together with the WZ12-8E field development, seeks to maintain production levels.

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

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

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

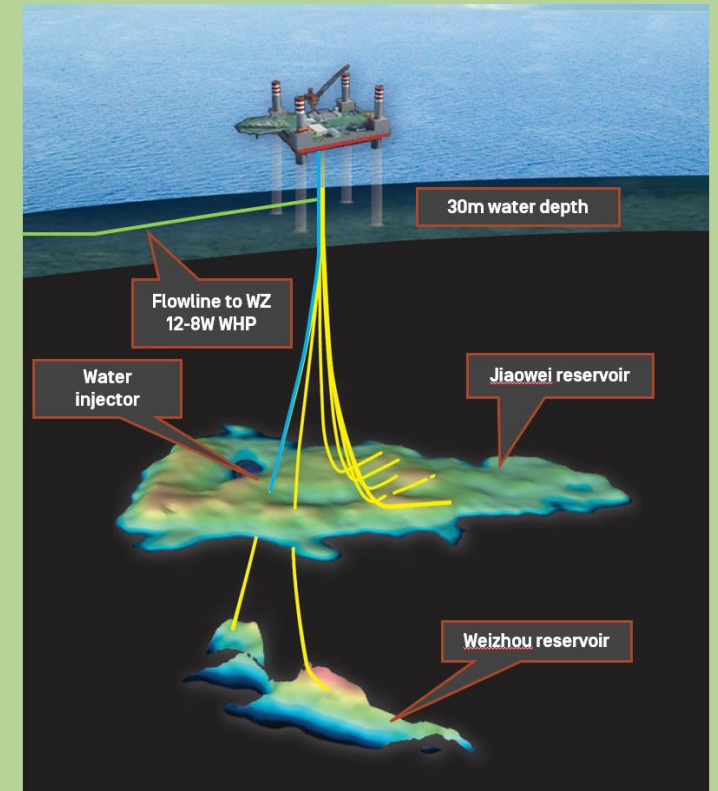
Current WZ6-12 and WZ12-8W field abandonment costs prepaid in sinking fund

NEW OIL PROJECT

WZ 12-8E DEVELOPMENT

First oil expected in Q1 CY 2022 with gross oil production from the first phase expected to average 4,000 bopd during the first year

- Wellhead platform currently under tow to site.
- The Development comprises a new wellhead platform tied back to existing facilities.
- Provides a hub for the development of the remaining discovered resources with access to further prospective opportunities.
- First phase of the development is expected to recover 0.6 MMbbl 2P reserves net to Horizon – with potentially 2 additional phases.
- Total development costs are linked to oil prices, Horizon's total share is ~US\$19 million based on current oil price (US\$70/bbl). US\$3.1 million paid to date, with the majority of remaining payment schedule coinciding with the commencement of production.



Launch ceremony for the WZ12-8E platform

NEW ZEALAND

PMP 38160 [Maari/Manaia] 26%

-  Oil Field
-  Gas Field
-  Gas Pipeline
-  Horizon Petroleum Licence

Reserves & Resources (MMbbl)

	Gross	Net
2P	12.3	3.2
2C	18.8	4.9

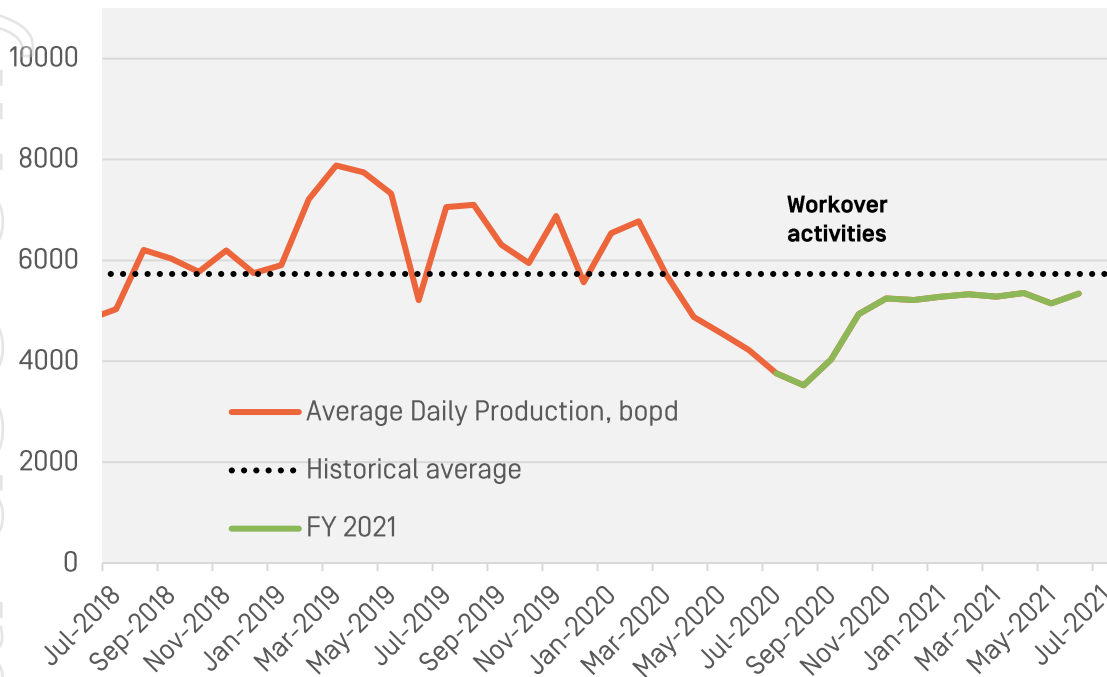
TASMAN SEA



STABLE RESERVOIR PERFORMANCE

NEW ZEALAND – MAARI / MANAIA

MAARI/MANAIA PRODUCTION HISTORY & OUTLOOK



- Production decline rate arrested through continued water injection and well optimisation.
- Successful workovers in Q4 CY2020 restored production towards the 3 year average
- MR6A workover completed however currently off-line to assess low levels of sand production
- Continue to optimise production and extend field life

Maari/Manaia continues to generate approximately 30% of Horizon cashflow

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

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

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

CORPORATE

ASX: HZN

Market Cap. A\$135 million @8.2 cents

BOARD OF DIRECTORS

Mike Harding
Chairman

Gerrit de Nys
Director

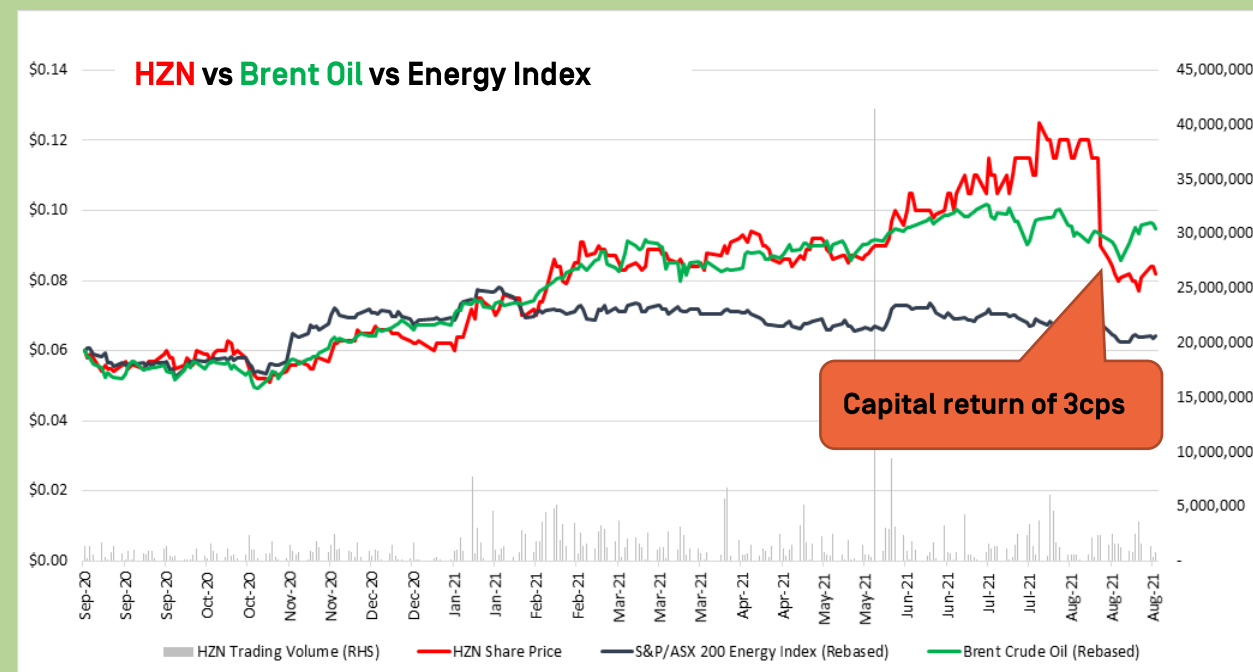
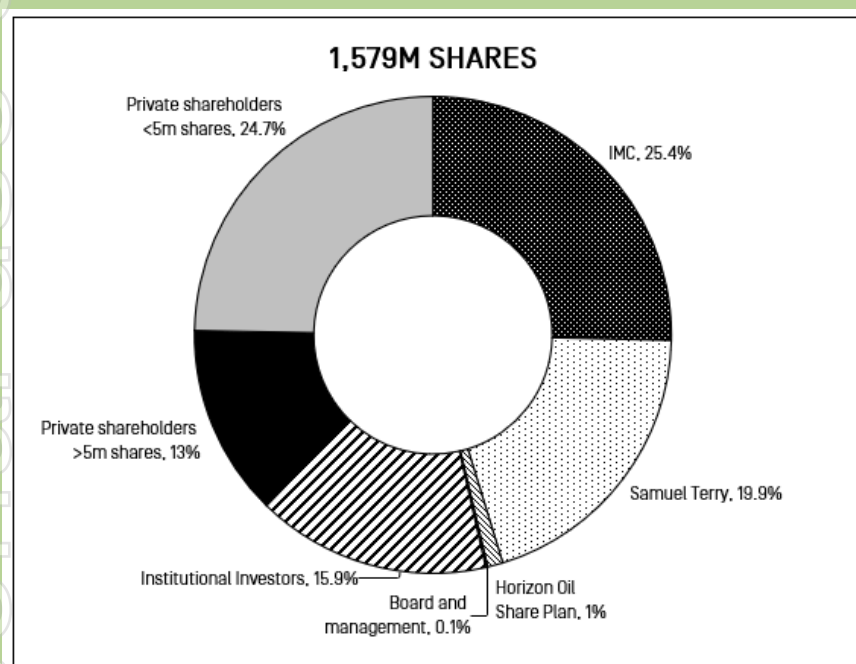
Greg Bittar
Director

Nigel Burgess
Director

Chris Hodge
Chief Executive
Officer

**Sandra
Birkenleigh**
Director

**Bruce
Clement**
Director



LOOKING AHEAD TO 2022

WE PLAN TO MAXIMISE PRODUCTION INTO A CONTINUING STRONG OIL PRICE

- **Technical innovation:** 12-8E commencement, infill wells, production efficiencies, nearfield exploration, field life extension
- **Minimise costs:** both the JV's and our own (<US\$20/bbl)
- **Maximise Free Cashflow*:** Targeting US\$25-35 million FY22
- **Further capital distributions:** if prudent to do so
- **Invest in new business:** if exceptional
- **Continued shareholder focus**

*Note: **Free Cash Flow** represents cash flows from operating activities less investing cash flows (net of acquisition payments)

COMPLIANCE STATEMENTS

Disclaimer

- Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Horizon Oil Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.
- While every effort is made to provide accurate and complete information, Horizon accepts no responsibility for any loss, damage, cost or expense incurred by you as a result of any error, omission or misrepresentation in information in this presentation.
- In this presentation, references are made to EBITDAX, Underlying Profit and Free Cashflow, which are financial measures which are not prescribed by Australian Accounting Standards:
 - EBITDAX represents the profit adjusted for interest expense, taxation expense, depreciation, amortisation, and exploration expenditure (including non-cash impairments)
 - Underlying profit represents the profit adjusted for the unrealised movement in the value of options issued under the subordinated loan facility, unrealised movements and gains associated with convertible bonds and non-cash impairments
 - Free Cash Flow represents Cashflow from Operating Activities less Investing cashflows (net of acquisition payments)
- All references to dollars in the presentation are United States dollars unless otherwise noted.

Reserves Disclosure

Unless otherwise stated, all petroleum reserves and resource estimates refer to those estimates as set out in Horizon's Reserves and Resources Statement as at the balance date (i.e. 30 June) as most recently released to ASX. Horizon is not aware of any new information or data that materially affects the information included in this presentation. All the material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

For the purposes of this presentation, 6 bcf of raw gas equals 1 mmboe.

The estimates of petroleum reserves and resources contained in this statement are based on, and fairly represent, information and supporting documentation prepared by staff and independent consultants under the supervision of Mr Gavin Douglas, the GM-Production and Exploration of Horizon Oil Limited. Mr Douglas is a full-time employee of Horizon Oil Limited and is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers. Mr Douglas' qualifications include a Master of Reservoir Evaluation and Management from Heriot Watt University, UK and more than 23 years of relevant experience. Mr Douglas consents to the use of the petroleum reserves and resources estimates in the form and context in which it appears.

This presentation should be read in conjunction with the 2021 Reserves and Resources Statement and the Annual Financial Report for the year ended 30 June 2021.



**FOR MORE INFORMATION
PLEASE CONTACT US**

Authorised, and approved, by the Chief Executive Officer

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