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The Manager, Company Announcements
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HORIZON OIL (HZN) ADVISES SPUD OF WHIO-1 WELL, OFFSHORE TARANAKI BASIN, NEW ZEALAND

Horizon Oil Limited (HZN) advises that the Whio-1 exploration well in PEP 51313 spudded at 2145 hours (local time) on 23 July 2014. The rig came on contract to OMV New Zealand Ltd (OMV) on 19 July and was towed 40 km from the previous location, arriving at the Whio location on 20 July.

Whio-1 is being drilled with the semi-submersible drilling rig *Kan Tan IV* at a surface location 110 km south-west of New Plymouth, Taranaki, New Zealand and 4.5 km south-east of the Maari well-head platform (see map below). The well has a planned total depth of 2,879 m MDRT (2,754 m TVDRT) and the well path will be deviated northwards from the surface location to avoid possible shallow drilling hazards above the subsurface targets. Water depth at the surface location is 98 m. Operations at Whio are anticipated to take 22 days.

The primary reservoir objectives at Whio are the M2A Sandstone and Mangahewa Formation which are oil bearing in the Maari Field. Secondary reservoir objectives are the Moki, Kaimiro and Farewell Formations. The Whio prospect has mean unrisks prospective resources assessed at 18 million barrels of oil (100% basis). The close proximity of Whio to existing production infrastructure at the Maari Field provides potential opportunities for early development of any discovered petroleum. A successful well at Whio will open additional exploration potential along the Tasman Ridge to the south of Maari, including the Matariki prospect.



Participant	Interest in PEP 51313	Interest in Whio area
Horizon Oil (New Zealand) Ltd	21%	10%
Cue Taranaki Pty Ltd	14%	5%
OMV New Zealand Ltd (Operator)	30%	69%
Todd Exploration Ltd	35%	16%

Yours faithfully

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