

15 May 2015

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

EXECUTION AND FINANCIAL CLOSE OF US\$120 MILLION REVOLVING CASH ADVANCE FACILITY

The Company advises that it has executed and closed the revolving cash advance facility outlined in its March 2015 quarterly report.

The cash advance facility, provided by ANZ and Westpac, incorporates a base tranche of US\$120 million, which has been used to repay the Company's reserve base lending facility, together with an additional US\$50 million "accordion" tranche to accommodate, if required, working capital and redemption¹ of the US\$80 million, 5.5% convertible bonds in June 2016. The terms of the new revolving cash advance facility provide greater flexibility to the Group with improved commercial terms and additional tenor, with the facility extended to May 2019.

Taking into account:

- the Company's cash balance of approximately US\$40 million at 1 April 2015 and base additional debt capacity of US\$10 million under the revised facility,
- forecast net operating income to June 2016, inclusive of hedging gains, in excess of US\$110 million (assuming current oil prices),
- materially reduced budgeted/forecast capital expenditure profile over the coming 15 months of approximately US\$50 million,
- deferral of scheduled amortisation under the renegotiated debt facility, and, to the extent required,
- the potential for additional debt capacity under the "accordion" tranche of the revolving cash advance facility (maximum additional debt of US\$50 million)
- the Company anticipates the generation of substantial cash reserves to meet redemption obligations under the Company's US\$80 million, 5.5% convertible bonds maturing in mid-2016.

The Company's ability to obtain the revised terms in this low oil price environment was enhanced by the Group's commodity hedging program which includes 842,000 barrels of oil hedged in the 18 months from January 2015 to July 2016 at a weighted average hedge price of US\$95/barrel.

Yours faithfully,



Michael Sheridan

Chief Financial Officer / Company Secretary

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¹ The current (and floor) conversion price of the convertible bonds is US\$0.409 per share (approximately A\$0.51/share) with no further potential resets as a result of the Company's share price applicable under the terms of the convertible bond trust deed.