



Horizon Oil Limited ABN 51 009 799 455
Level 6, 134 William Street, Woolloomooloo NSW Australia 2011
Tel +61 2 9332 5000, Fax +61 2 9332 5050 www.horizonoil.com.au

3 September 2015

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

**HORIZON OIL (HZN)
GOOD OIL CONFERENCE PRESENTATION**

Please find attached the presentation which will be presented by Brent Emmett, Chief Executive Officer at the Good Oil Conference today.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Sheridan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Sheridan
Chief Financial Officer / Company Secretary

For further information please contact:
Mr Michael Sheridan
Telephone: (+612) 9332 5000
Facsimile: (+612) 9332 5050
Email: exploration@horizonoil.com.au
Or visit www.horizonoil.com.au



HORIZON OIL LIMITED

ABN 51009799455

Good Oil Conference
3 September 2015

Brent Emmett CEO

This presentation contains some references to forward looking assumptions, representations, estimates and outcomes. These are uncertain by the nature of the business and no assurance can be given by Horizon Oil Limited that its expectations, estimates and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

Presentation outline

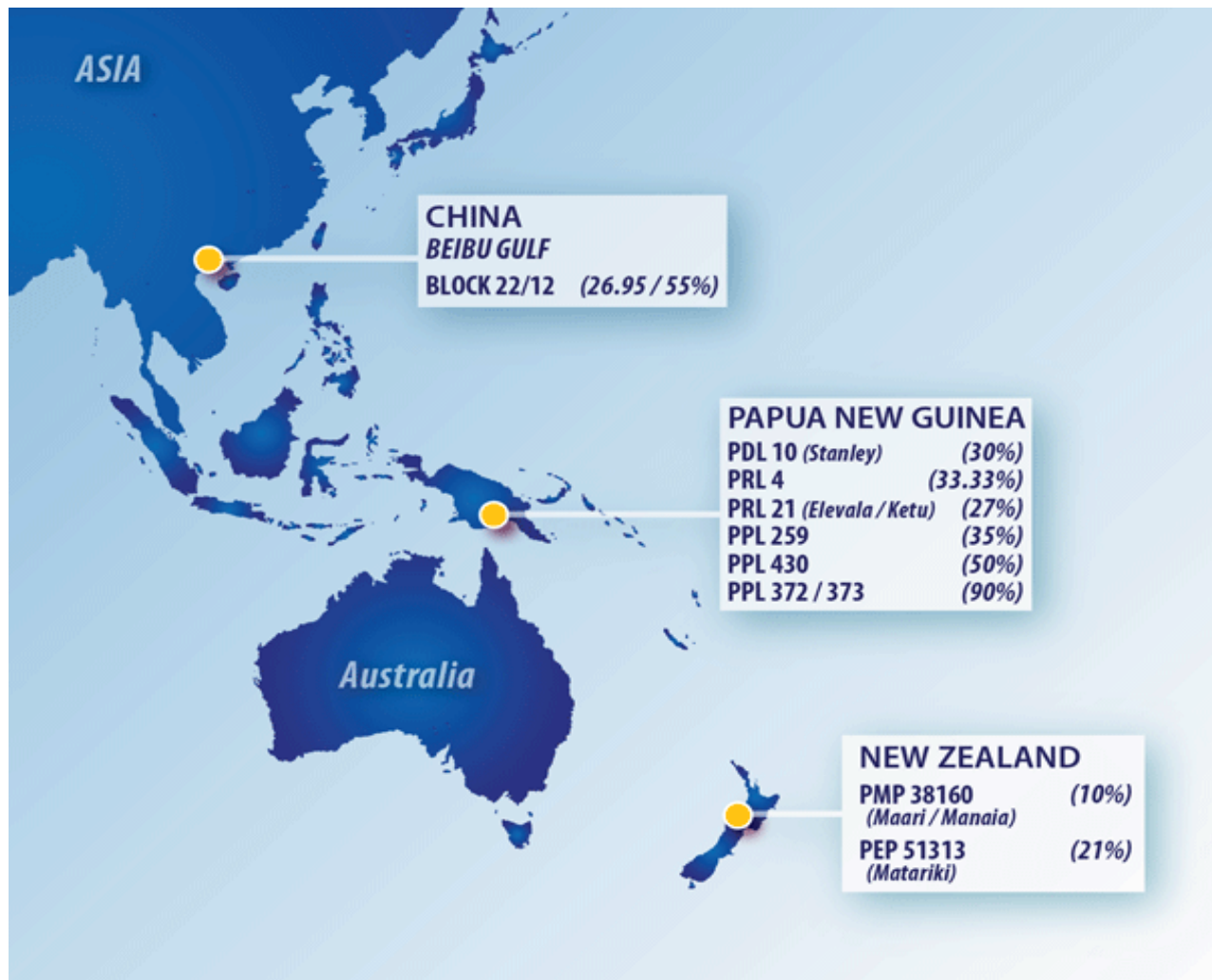
- **Company overview**

- Asset locations
- Company snapshot
- Reserves and production forecast
- China – Papua New Guinea – New Zealand

- **Horizon Oil as an investment proposition**

- Global oil supply/demand outlook
- Response to low oil prices
- Highlights for FY 2015 and key performance measures
- Asset portfolio composition
- Strategic priorities

Asset portfolio



* PRL 4: Subject to Government approval

- Clear geographic focus on Asia-Pacific region
- Technical focus on proven, conventional plays with scale, upside and manageable risk
- Working with experienced partners such as CNOOC, OMV, Mitsubishi and Osaka Gas
- Currently producing oil but will have a diversified oil and gas production base in the future
- Potential exists for large gas export project into Asian market

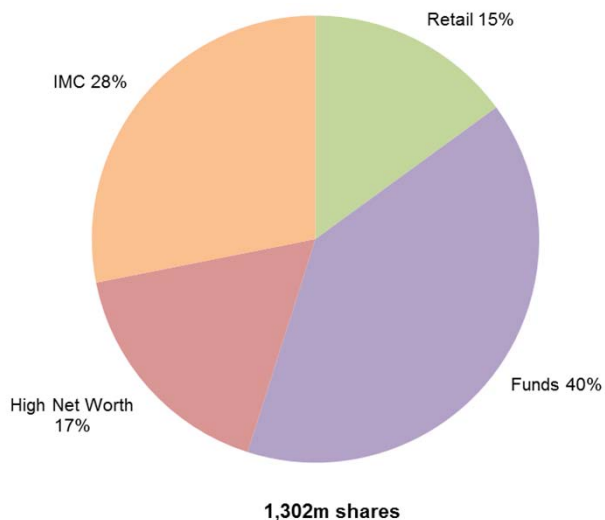
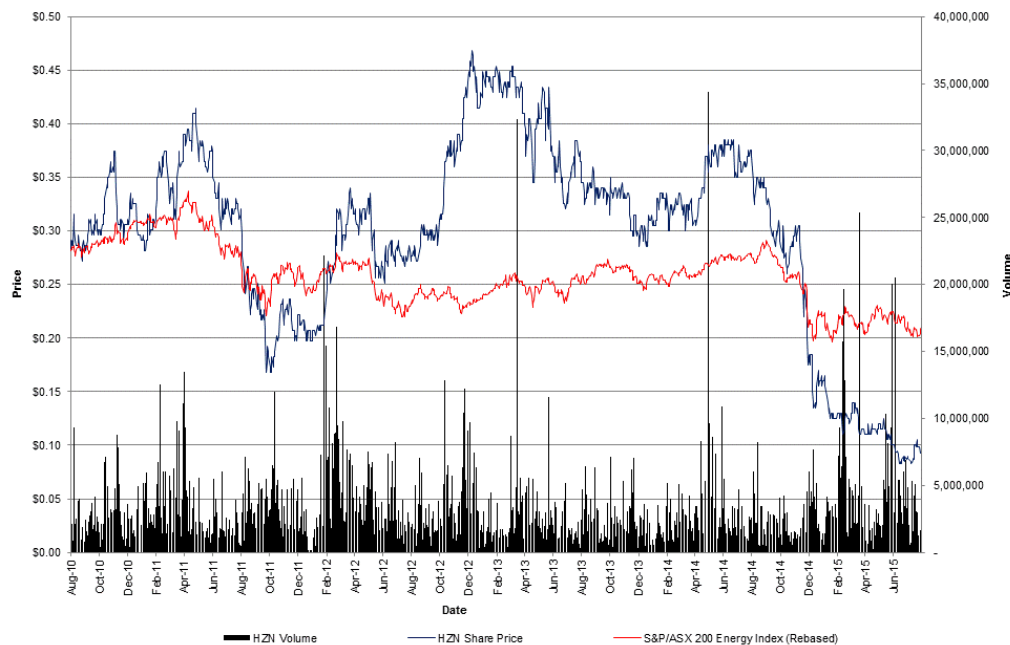
Horizon Oil (HZN:AU) at a glance

- Sydney-based public company listed on Australian Securities Exchange and in ASX 300 Index
- Portfolio of exploration, development and producing assets in Asia-Pacific region
- Shareholding: IMC (Singapore) - 28%, institutions - 40%, high net worth - 17%, retail investors - 15%
- Current net production approximately 4,100 bopd, cash operating cost of US\$14.10/bbl (volume-weighted average for FY2015)
- Operating income after opex:

FY 2014 actual	- US\$93.6m
FY 2015 actual	- US\$81.1m
- Audited 2P reserves and contingent resources of 101 million barrels of oil equivalent (mmboe)
- Prospective resources of 78 mmboe best estimate
- Block 22/12 - cost recovery oil entitlement US\$98m
- Receivable of US\$130m from Osaka Gas, payable on FID of LNG project in PNG
- At 30 June 2015:-

– Cash on hand	US\$61.3m	
– Drawdown on US\$120m debt facility	US\$120.0m	
– Convertible bond (listed on SGX)	US\$80.0m	(matures June 2016, unless converted prior)
– Net debt	US\$138.7m	1.7 x 2014A EBITDA
		1.8 x 2015E EBITDA

Shareholder distribution and trading statistics



Aug 2015 (to date)

Last	\$0.080
High	\$0.094
Low	\$0.065
Volume	39,879,463

12 Months

Last	\$0.080
High	\$0.340
Low	\$0.060
Volume	799.78m

Fully paid shares	1,302m
Partly paid shares	1.50m ¹
Employee options	11.44m ²
General options	3.5m
Share appreciation rights	38.68m ³
Convertible bonds	400 ⁴

No. of shareholders	5,800
Market capitalisation	\$103m

Top 20 / Issued Capital	74.1%
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¹Issued in accordance with employee incentive schemes

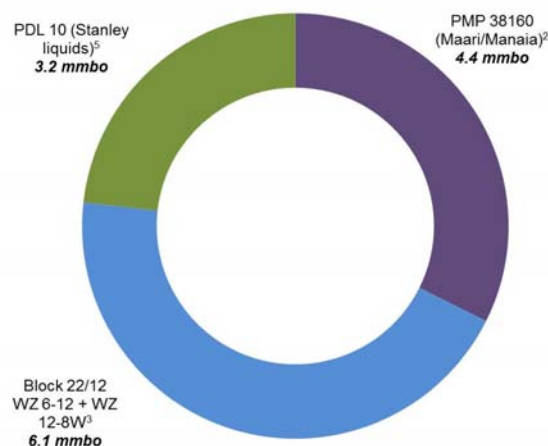
²Options - issue price ranging from \$0.27 - \$0.44

³Share price equivalence of SARS - \$0.30. 3 million SARS subject to shareholder approval

⁴Convertible to 488,998 ordinary shares per bond at the adjusted conversion price of \$0.409

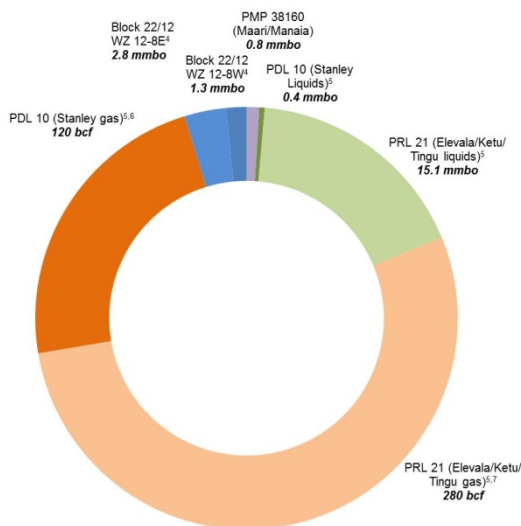
Net Reserves¹, Contingent Resources¹ and Prospective Resources¹ as at 30 June 2015

RESERVES Proven + Probable



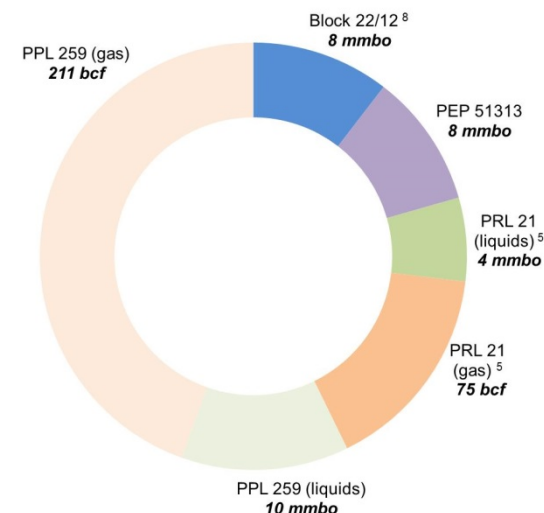
Total: 13.7 mmboe

CONTINGENT RESOURCES Proven + Probable



**Total: 87.1 mmboe
including 400 bcf**

PROSPECTIVE RESOURCES Best Estimate



**Total: 78 mmboe
Including 286 bcf**

- Long life of reserves and contingent resources – 100.8 mmboe (liquids 34% / gas 66%), estimated production for 30 years
- Reserves and Contingent Resources position 6 mmboe higher than comparable period last year, inclusive of production during the year due to reserves addition in China and resource addition in PNG and China
- Prospective Resources – 78 mmboe

¹ Estimated in accordance with SPE-PRMS standard; 6 bcf gas equals 1 boe; 1 bbl condensate equals 1 boe

² Net of production of 27 mmboe gross through 30 June 2015

³ Net of production of 9 mmboe gross through 30 June 2015

⁴ Reduced to allow for CNOOC participation at 51%

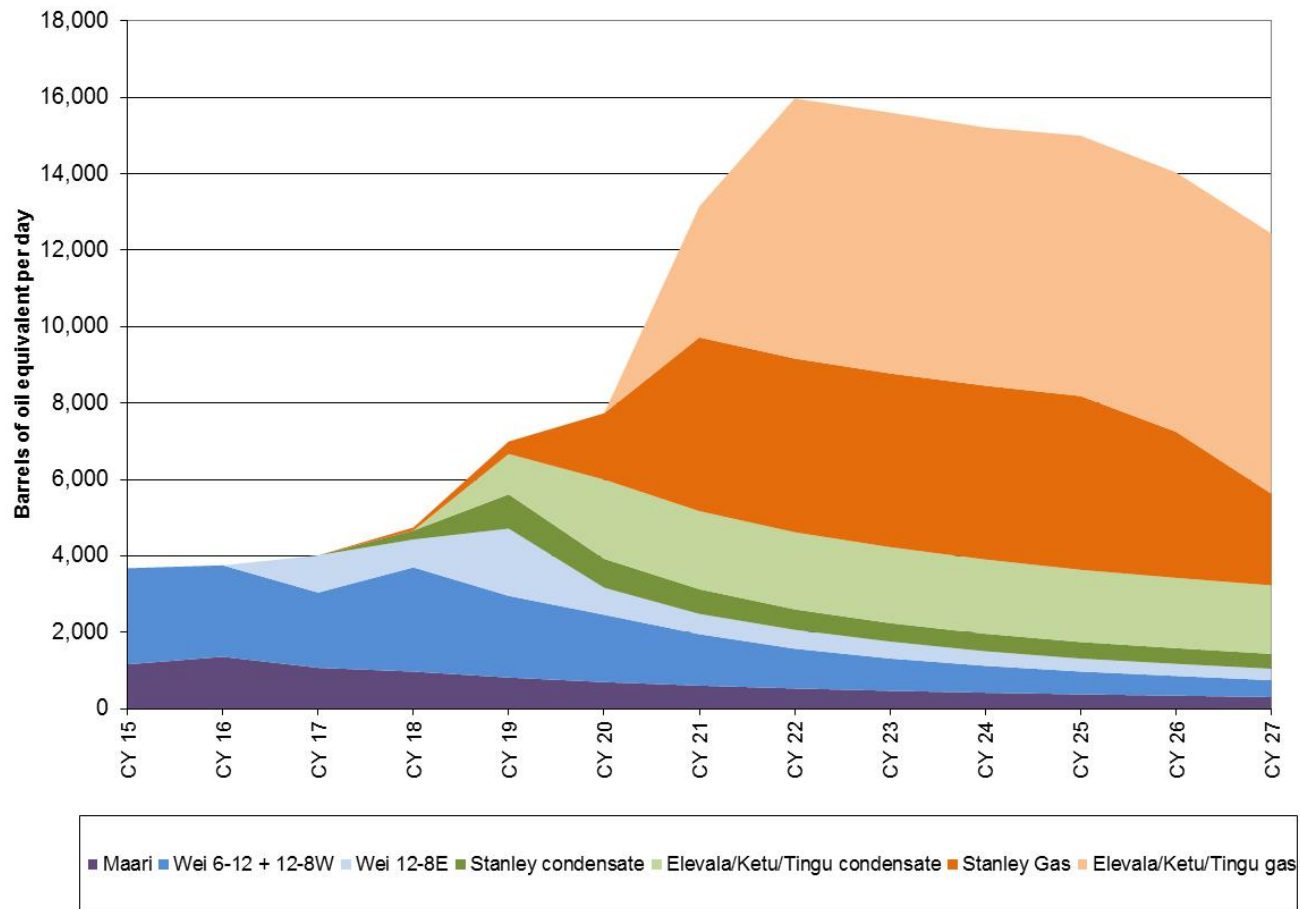
⁵ Subject to reduction to allow for PNG State Nominee participation at 22.5%

⁶ Includes 2.6 mmbbl LPG (1 tonne LPG equals 11 bbl)

⁷ Includes 9.0 mmbbl LPG

⁸ Subject to confirmation of acreage extension

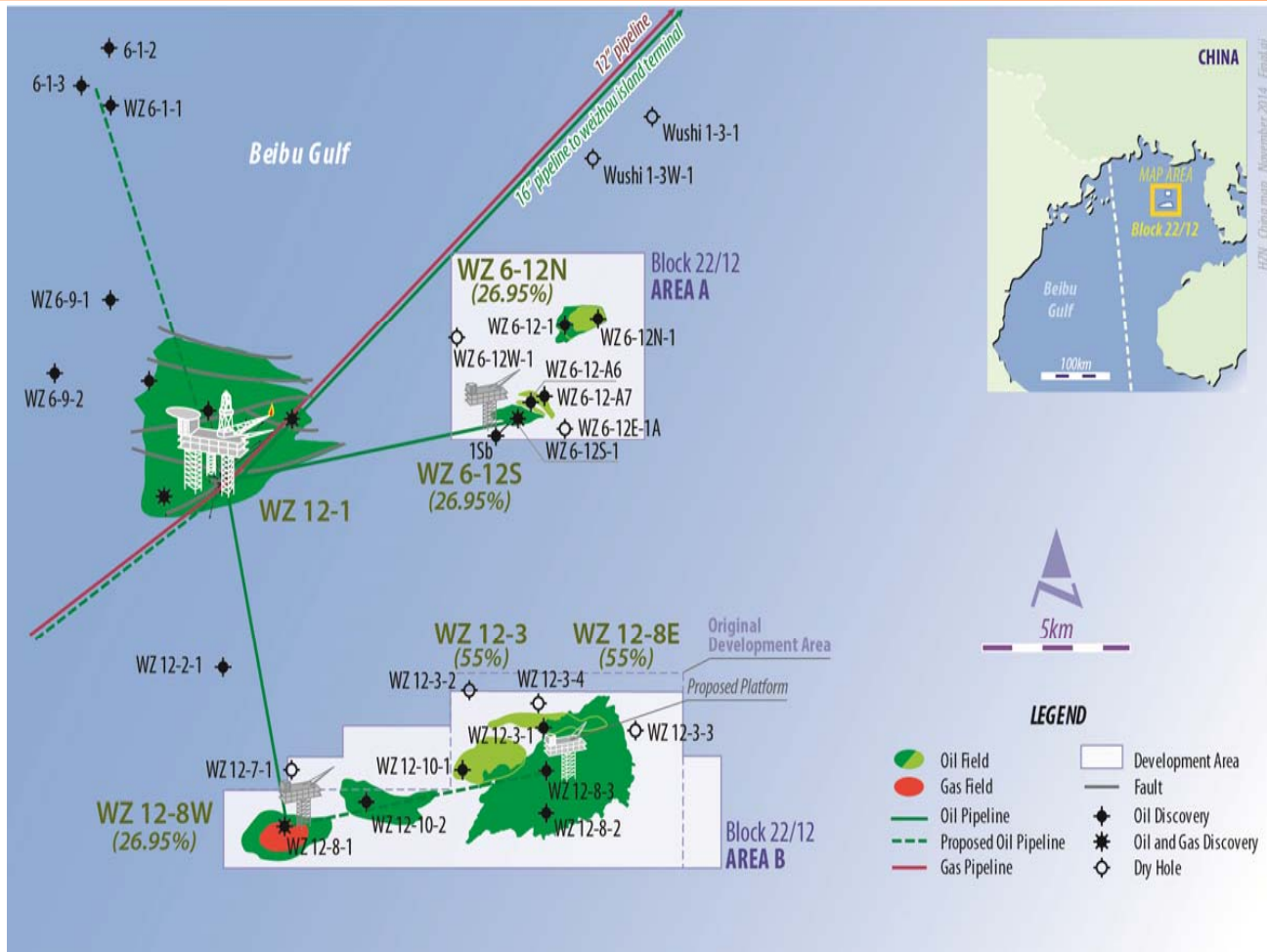
Forecast net production from Reserves + Contingent Resources as at 1 July 2015



Assumptions

- Development of WZ 12-8E field with production commencing 2017
- Development of 12-10-1 and -2 fields in Beibu Gulf in 2018
- Stanley condensate start-up with gas sales to OTML commencing 2018, with further large scale gas sales in 2020
- Early condensate monetisation in PRL 21 commencing 2019, with gas sales commencing 2021

Beibu Gulf field production and future development areas – China



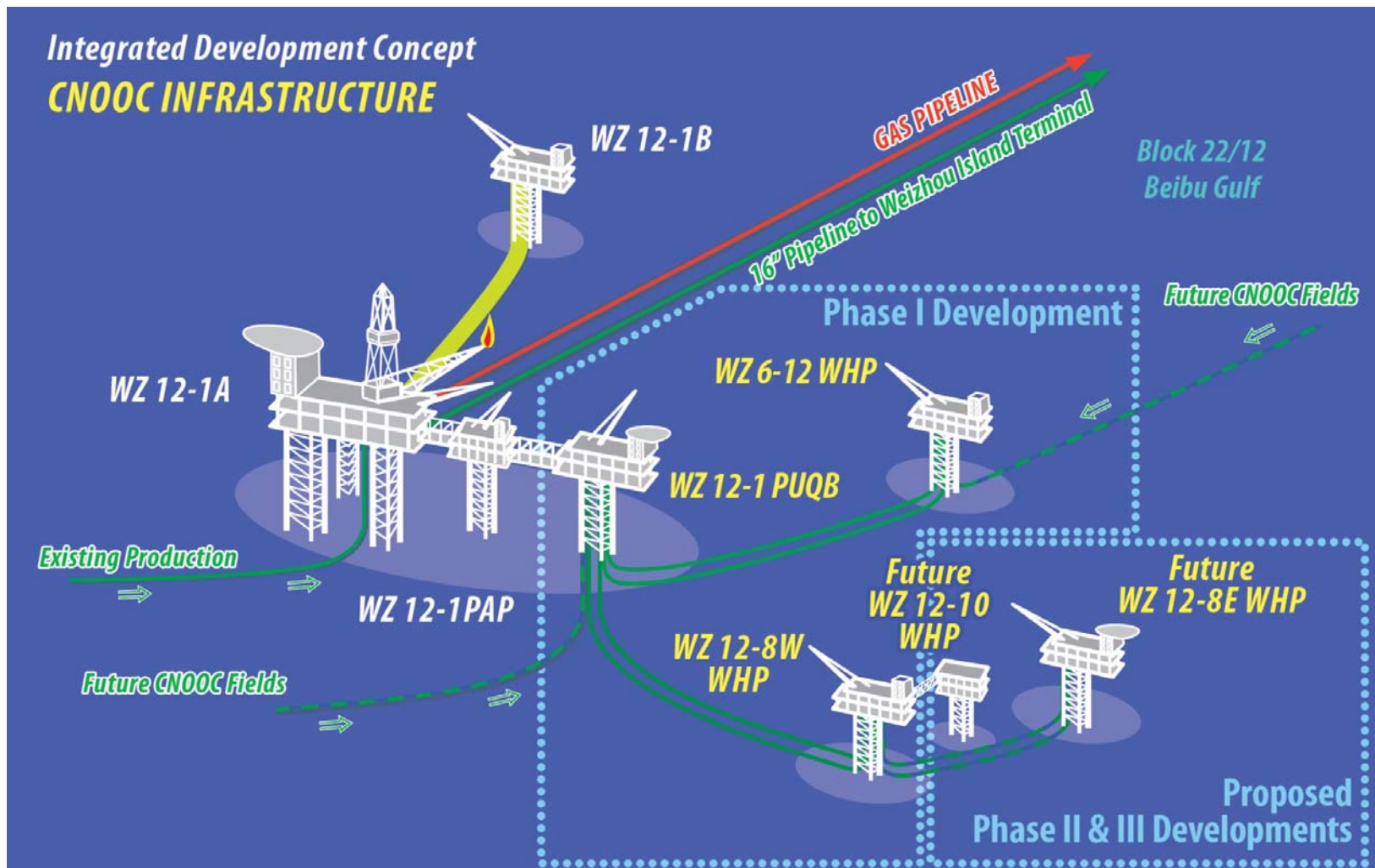
- WZ 6-12N and WZ 12-8W fields producing above forecast
- Potential for higher oil recovery from WZ 12-8W
- Phase II WZ 12-8E development plan to be submitted for Government approval by end 2015; audited gross 2C resources 10.5 mmbo
- Successful WZ 12-10-1 and WZ 12-10-2 exploration wells have added 7.1 mmbo gross recoverable oil (audited 2P+2C); appraisal and development planning initiated

Block 22/12 Post-CNOOC Back-in:

HZN	26.95%
CNOOC	51.00% (Op)
ROC	19.60%
Majuko Corp	2.45%

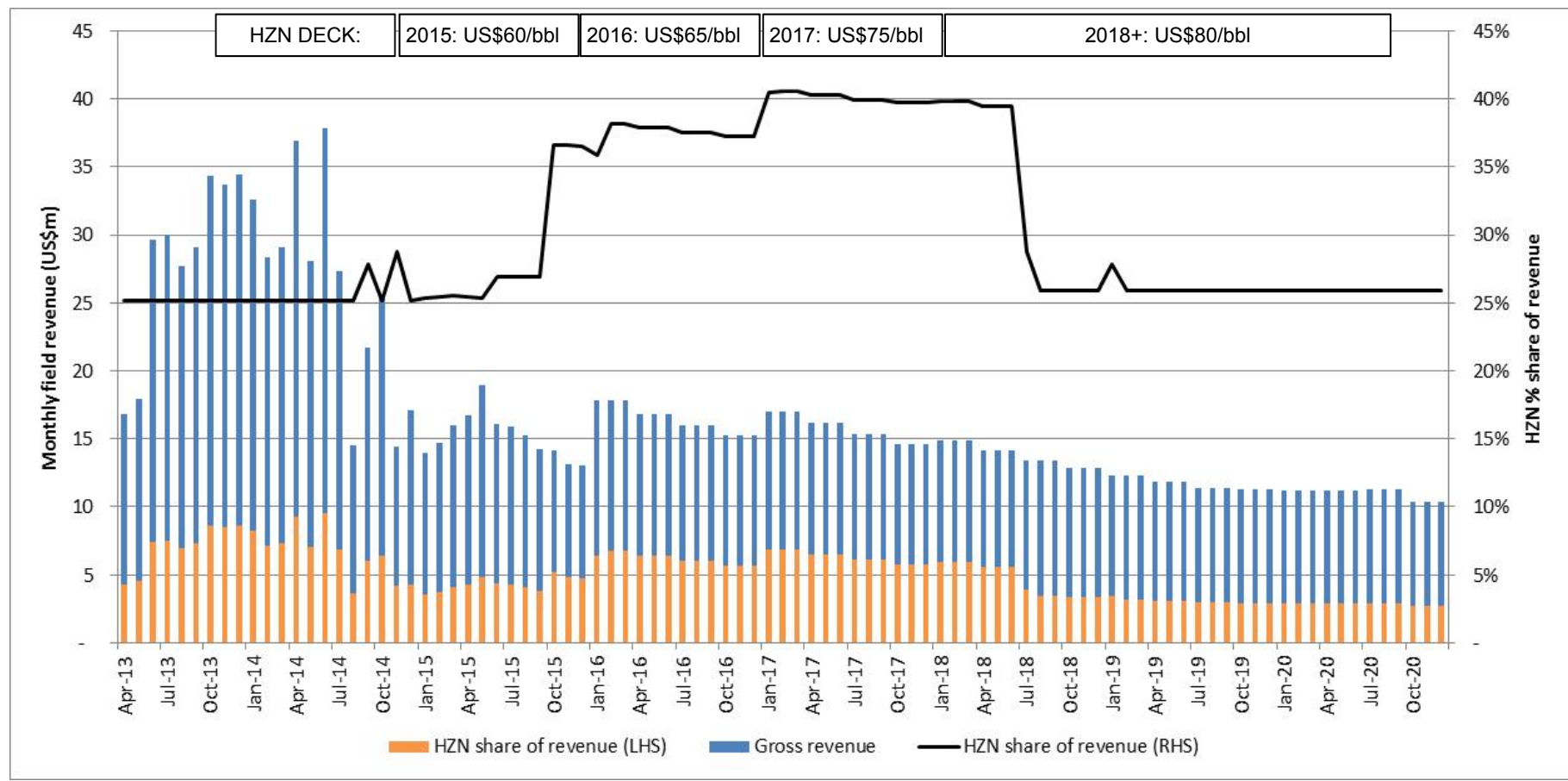
Gross reserves (mmbo) at 30/06/15	2P
Produced	9.0
Remaining	19.6

Beibu Gulf fields – phased development scheme



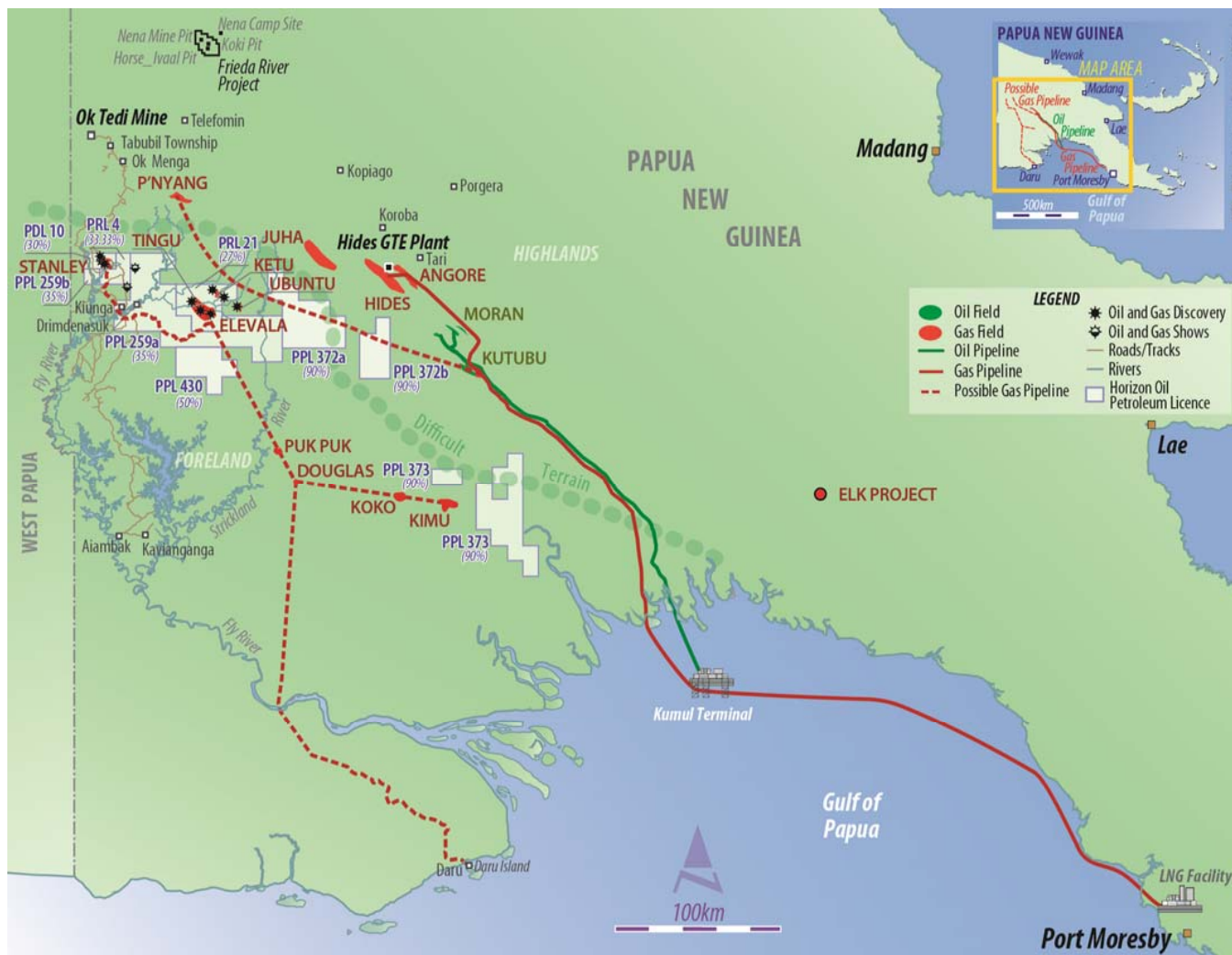
Phased approach to development of new reserves – utilising existing infrastructure

Horizon Oil's share of Block 22/12 gross revenue – calculated on 2P Reserves



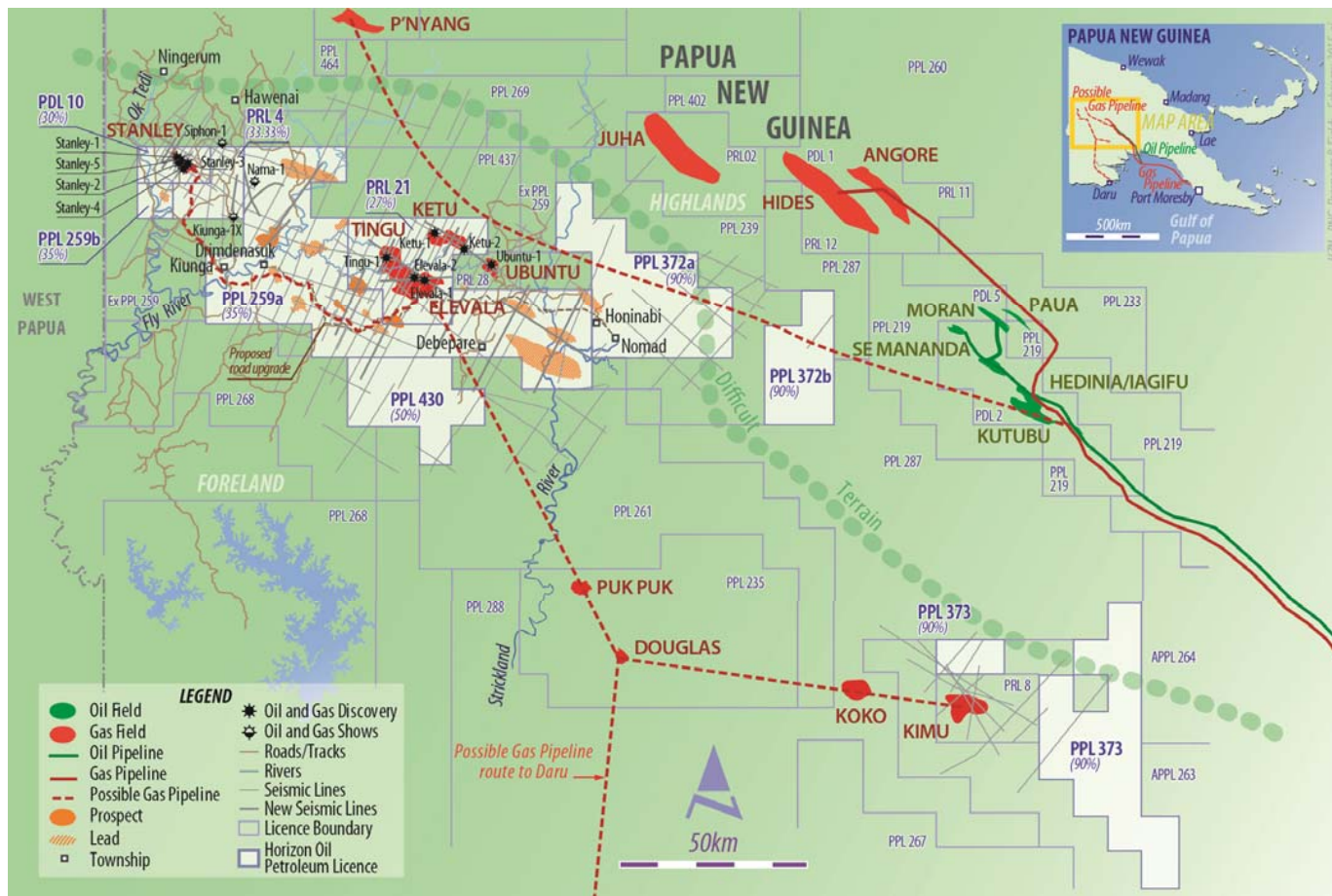
- The above graph demonstrates Horizon Oil's increased share of cost recovery in the period Oct 2015 to Aug 2018, once CNOOC has recovered its share of development costs
- Horizon Oil's portion of investment recovery oil and remainder oil increases to 35-40%, until all development costs and attributable interest have been recovered

Papua New Guinea



- PNG is rich in oil, gas and minerals with track record of successful large-scale development projects
- Stable fiscal regime and succession of “pro-development” governments
- Jurisdiction well-supported by lenders
- Horizon Oil acreage position ~7,900 sq km in foreland terrain, primarily in wet gas “sweet spot”

Horizon Oil acreage and joint venture partners - Papua New Guinea



- Successful Tingu-1 exploration/appraisal well drilled in 2013 extended PRL 21 gas/condensate resources materially
- Development application for Elevation/Tingu/Ketu fields in PRL 21 filed in March 2014
- Development licence for Stanley field (PDL 10) issued by PNG Government in May 2014
- Encouraging signs for development of P'nyang field

PDL 10:	
HZN	30%
Osaka Gas	20%
Talisman	40%
Mitsubishi	10%

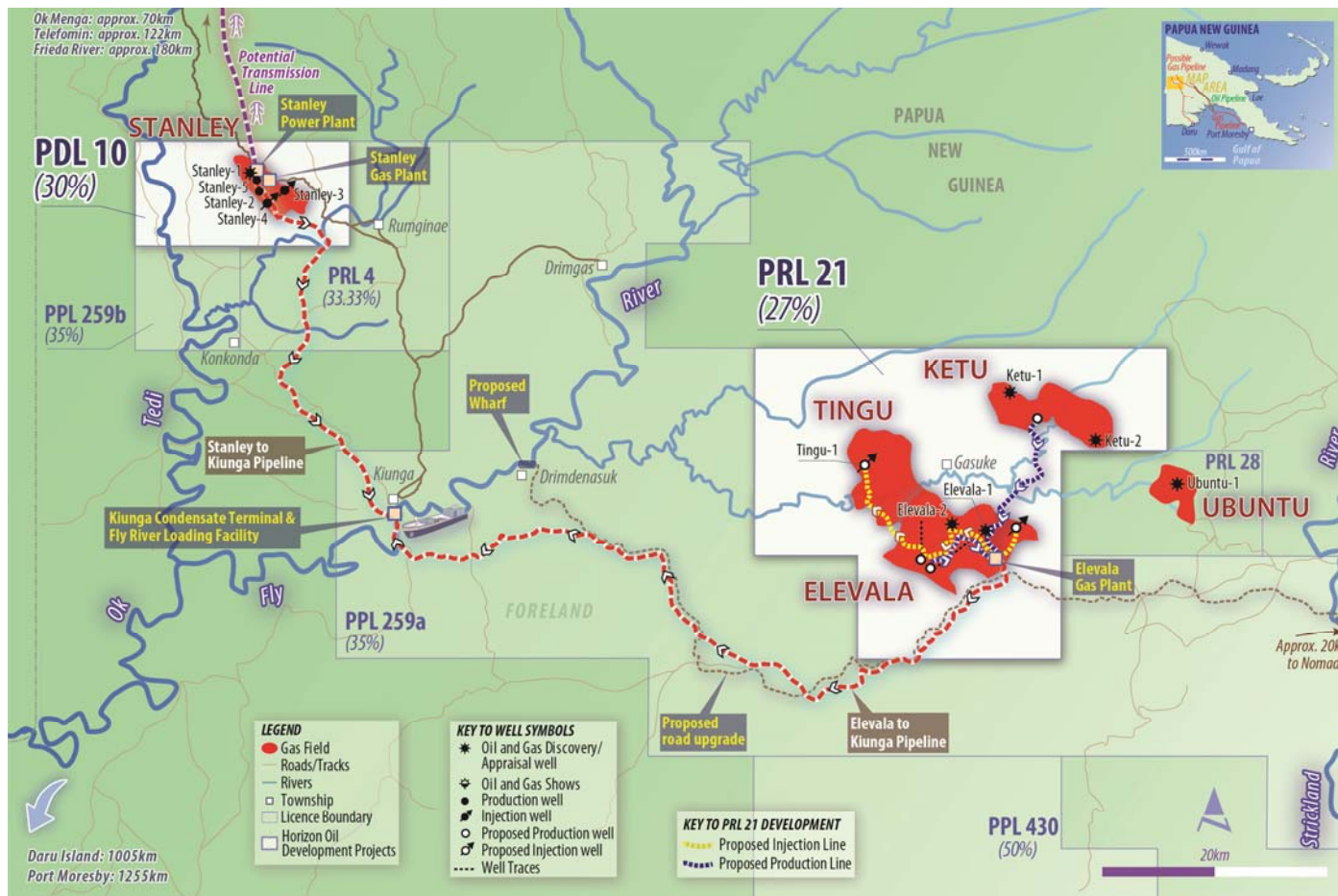
PRL 4 (subject to Govt approval):	
HZN	33.33%
Talisman	44.45%
Osaka Gas	22.22%

PPLs 372 and 373:	
HZN	90.0%
PPL 430:	
HZN	50.0%
Eaglewood	50.0%

PPL 259:	
HZN	35.0%
Osaka Gas	10.0%
Eaglewood	45.0%
P3GE	10.0%

PRL 21:	
HZN	27.0% (Op)
Osaka Gas	18.0%
Talisman	32.5%
Kina	15.0%
Mitsubishi	7.5%

Stanley and Eivala/Ketu field development schemes



- Stanley field Petroleum Development Licence awarded in May 2014
- Development drilling subsequently completed, both wells Stanley-3 and -5 met or exceeded expectations
- Eivala and Tingu to be developed as one field
- Eivala/Ketu Petroleum Development Licence application submitted in March 2014
- FEED underway

PNG gas commercialisation options

- **Sales to regional buyers for power generation**

 - Ok Tedi Mining Limited (OTML) and Frieda River project (when sanctioned)
 - Local towns and communities in Kiunga – Ok Menga – Frieda River corridor
 - Export to West Papua: Merauke, Jayapura

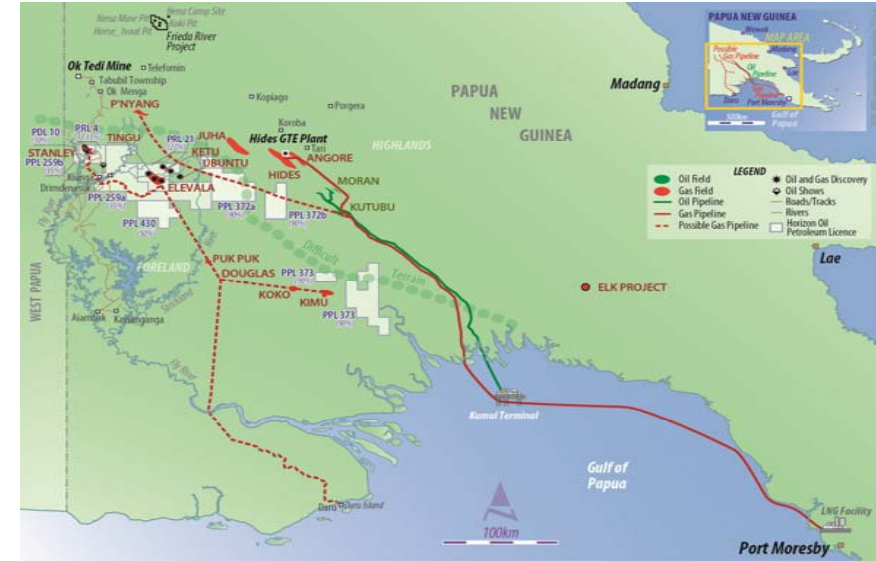
- **Mid-scale LNG project (~ 2-4 mtpa)**

Expandable mid scale LNG plant at coastal location, such as Daru, to supply:-

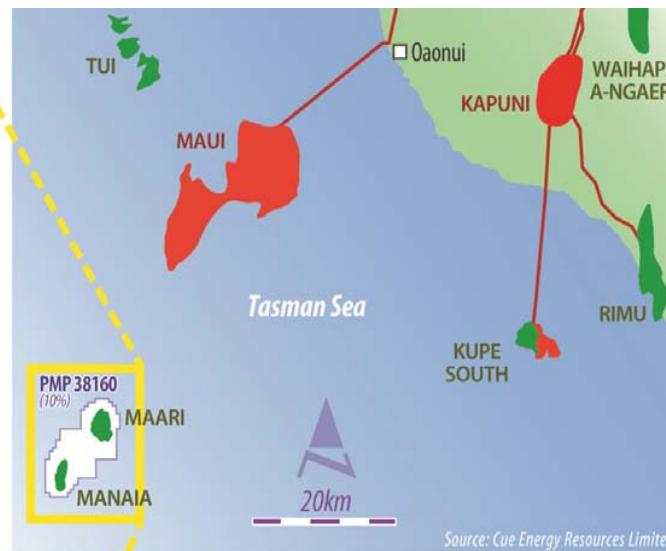
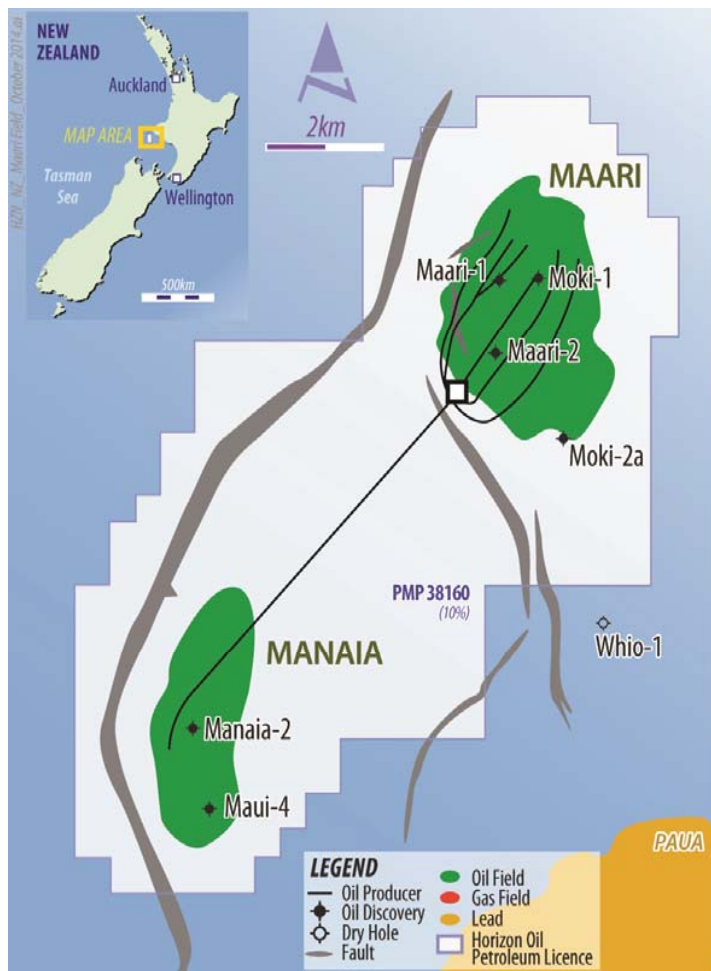
 - City and mining project power demand, as substitute for diesel or fuel oil
 - Singapore LNG and products hub
 - North Asian markets

- **Brownfield development**

Aggregation of Western Province NW Hub gas to supply dedicated expansion train at PNG LNG site in Port Moresby



Maari /Manaia fields – New Zealand



- Maari field facilities and FPSO *Raroa* repaired and upgraded in H2 2013
- Maari Growth Projects Program successfully completed and *Ensco 107* jack-up rig released in July 2015
- Field production currently ~16,000 bopd
- Workover program underway to further enhance production

Gross reserves (mmbbl) at 30/6/15	2P	PMP 38160:	
		HZN	10%
Produced	27.0	OMV	69% (Op)
Remaining	44.3	Todd	21%
		CUE	5%

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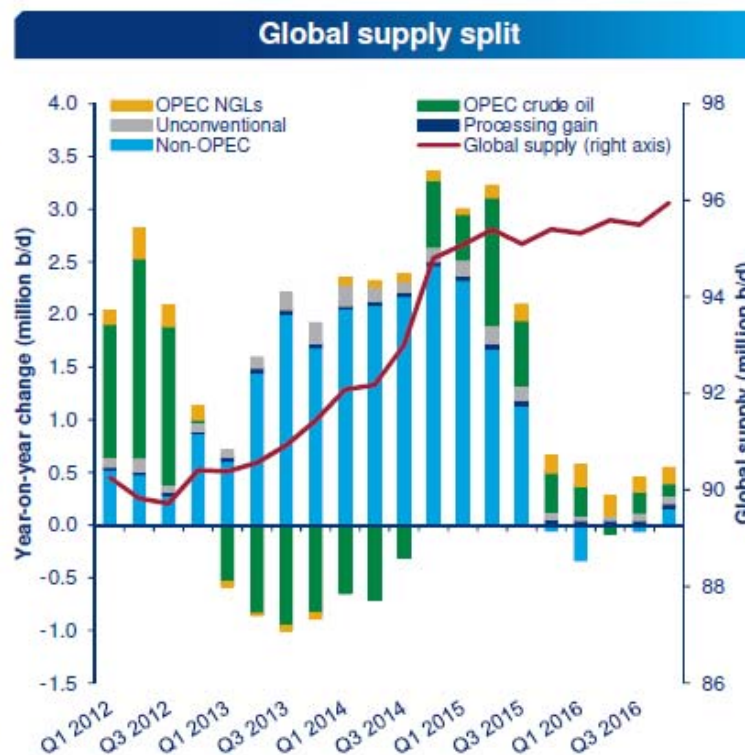
- **Horizon Oil as an investment proposition**
 - *– how to play the recovery in oil price?*
 - Global oil supply/demand outlook
 - Response to low oil prices
 - Highlights for FY 2015 and key performance measures
 - Asset portfolio composition
 - Strategic priorities

WoodMackenzie macro oil short-term outlook (Aug 2015) (1)

Supply momentum proves strong in early 2015; slowdown anticipated

OPEC production strength continues; non-OPEC growth slows

- World liquids supply estimated to have risen 0.5 million b/d between May and June 2015, to 95.7 million b/d
 - » Key factors include monthly growth in OPEC and Canada production
 - » Global liquids supply projected to rise from 93.0 million b/d in 2014 to 95.2 million b/d in 2015 and 95.6 million b/d in 2016
- OPEC crude oil output remains above 30 million b/d production ceiling through 2016
 - » Saudi Arabia maintained crude oil production above 10 million b/d in July; we assume output remains around 10 million b/d through the third quarter of 2015
 - » Continue to assume no action from OPEC to curb supply
- Non-OPEC increases to slow substantially in 2016
 - » After growth of 2.2 million b/d in 2014, to 52.7 million b/d, (excluding unconventional and processing gains) year-on-year growth slows to 1.3 million b/d in 2015 and falls by 0.1 million b/d in 2016, to 53.8 million b/d
 - » Key upgrades this month include China, North Sea, Russia, Oman and Argentina; with downward revisions to US, Canada, Brazil and Australia



Source: Wood Mackenzie



WoodMackenzie macro oil short-term outlook (Aug 2015) (2)

Growth in global supply and demand shows the radical shift in trend during 2016 as supply reaction to low oil prices kicks in

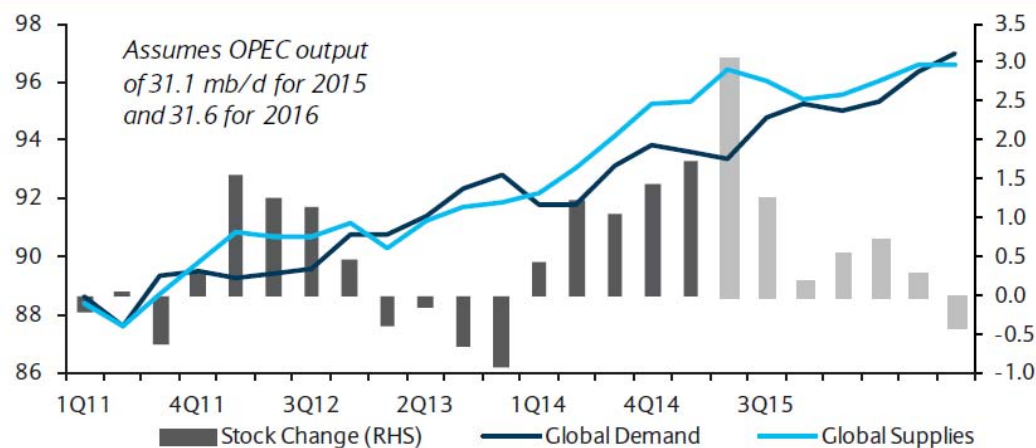


- Our updated forecast indicates slightly more year-on-year supply growth for 2015 than in 2014. The revisions upward for both non-OPEC and OPEC supply are a key reason for the adjustment downward in the price view for H2 2015
- The period of lower oil prices has a growing effect on non-OPEC production, with the trend shifting from a year-on-year **gain** of 1.3 million b/d in 2015 to a year-on-year **decline** of 0.1 million b/d for non-OPEC in 2016
- We believe this change in trend will have a strong impact on the oil market. OPEC will be the lead contributor to supply growth in 2016. That will leave room for Iran to increase its output next year, as oil demand is slated to rise in 2016 by a rate just slightly below this year

Barclays global oil supply/demand outlook (Sep 2015)

A combination of supply and demand factors led to lower prices

Large disconnect between global supply and demand growth emerged in 2014



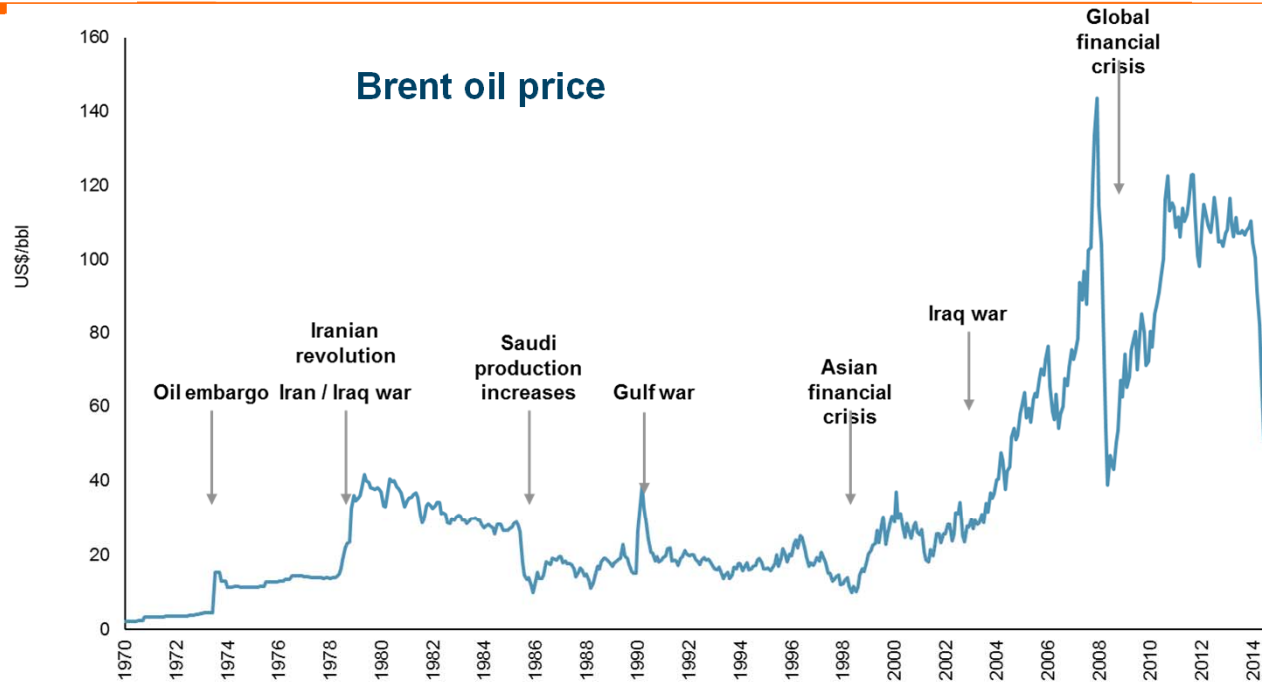
Source: EIA, IEA, Barclays Research.

We expect US oil prices to reach an average of \$59 in H2 15, around \$70 by end-2016

Barclays crude oil price forecasts											
	2014	Q1	Q2	Q3	Q4	2015	Q1	Q2	Q3	Q4	2016
Brent	100	55	64	61	66	61	62	66	69	73	68
WTI	93	49	58	55	63	56	57	63	65	69	64
Brent-WTI	7	7	6	6	3	5	5	3	4	4	4

Note: Price forecast as published 31 July 2015. Bloomberg (for consensus and curve estimates as of 30 July 2015). Includes historical for 1Q and 2Q 2015.
Source: Barclays Research

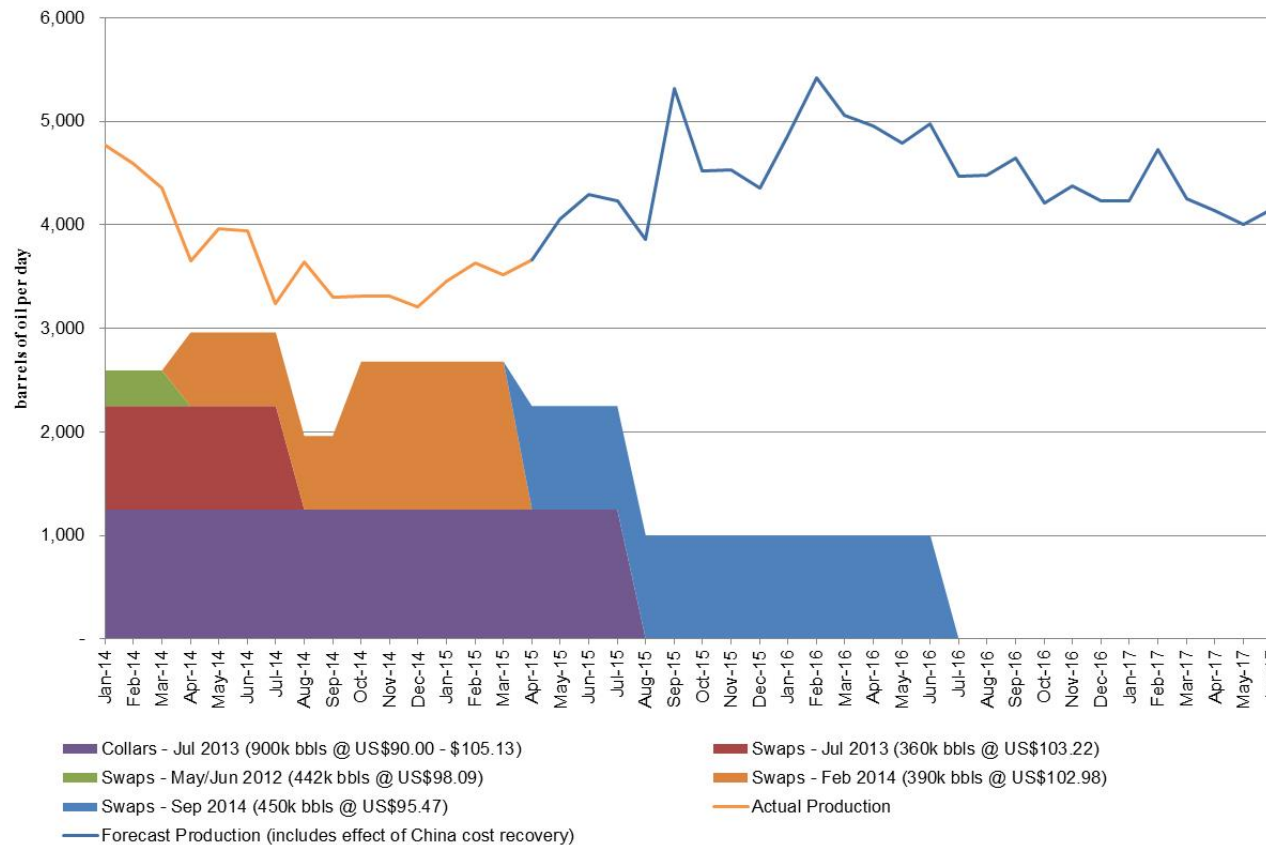
Response to current low oil price environment



- Operating income substantively maintained by oil price hedging 2014 – mid 2016
- Opex reduced (down ~20% YTD in Block 22/12)
- Capex for 2015-2016 materially reduced and discretionary expenditure minimised
Estimated capex + net G&A for FY2015 < US\$50m
- Spend on new field development planning maintained to take advantage of cost deflation
 - PDL 10 (Stanley) and PRL 21 (Elevala/Ketu), PNG
 - WZ 12-8E and WZ 12-10 Beibu Gulf, China
- Administrative spend controlled – currently net G&A US\$7m pa
- Focus on managing business risk

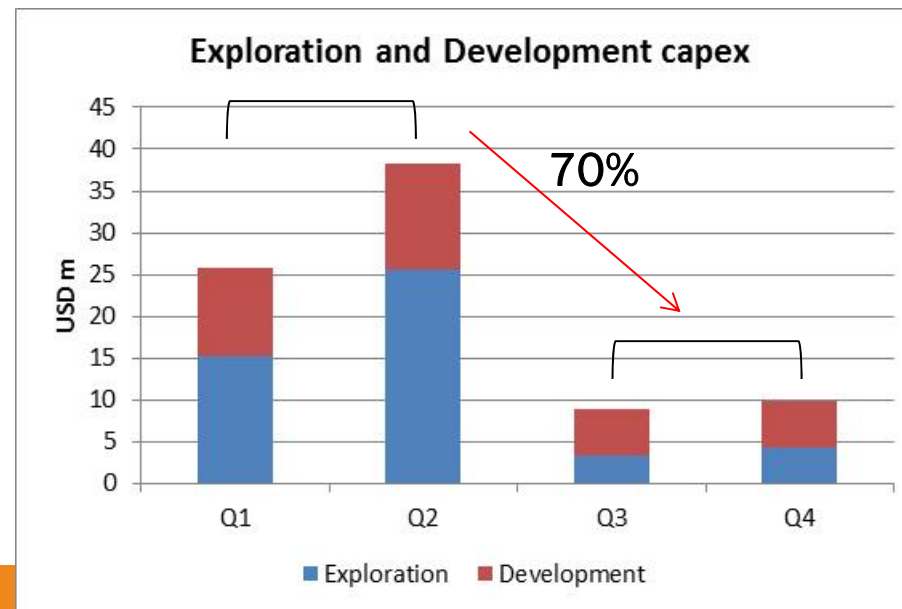
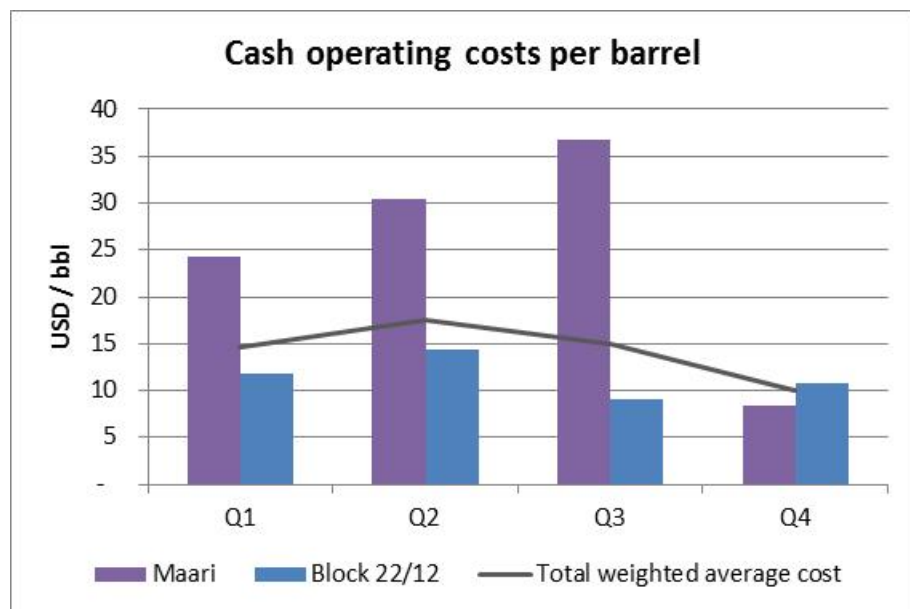
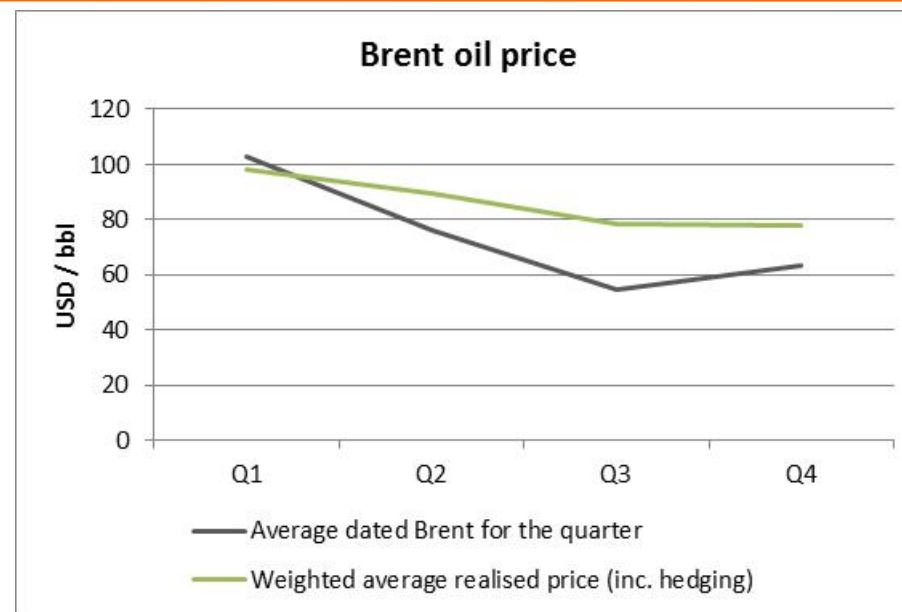
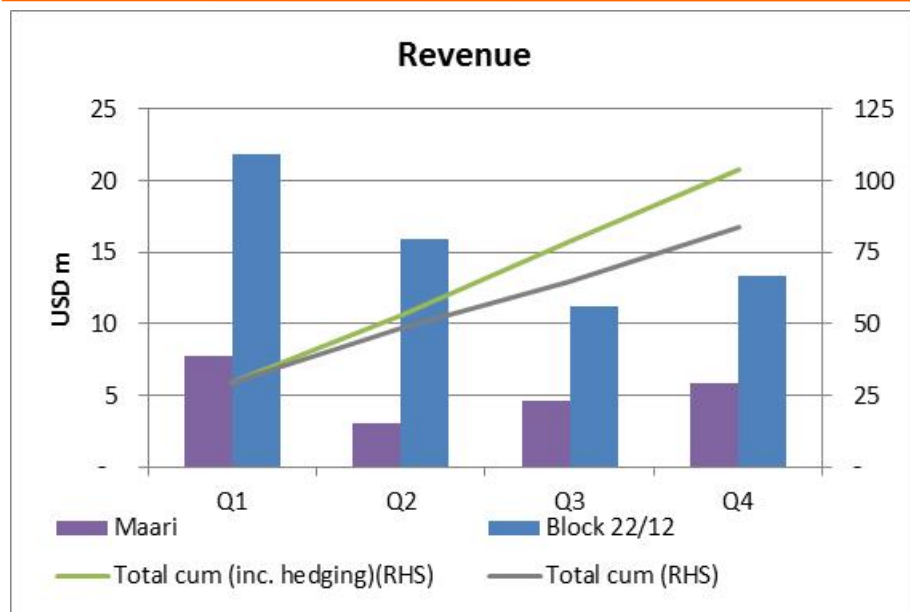
Strong risk management with a well established hedging policy

Oil price hedge profile



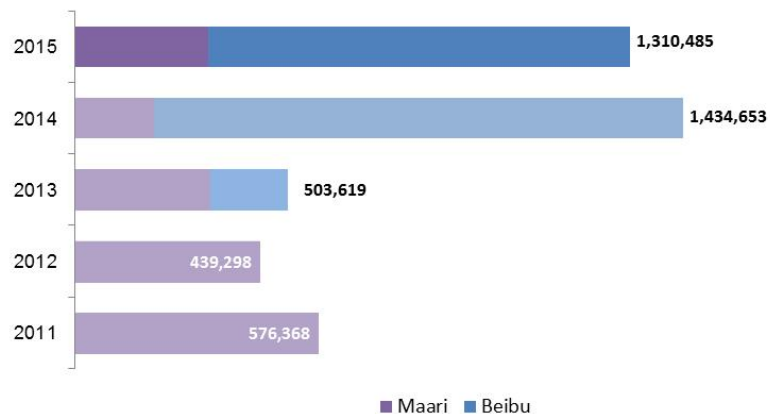
- 842,500 mmboe hedged from 1 Jan 2015 through mid 2016 at average of US\$95/bbl
- Oil price hedging program means cash flows in 2015 and 2016 not as critically impacted by low oil prices
- Production costs significantly reduced in 2015
- Oil production from multiple fields (currently 1 in New Zealand and 2 in China) reduces production risk
- Loss of Production Insurance policies in place for Maari and Beibu Gulf fields
- Longer term, gas sales will reduce reliance on oil price

Highlights for financial year ending June 2015

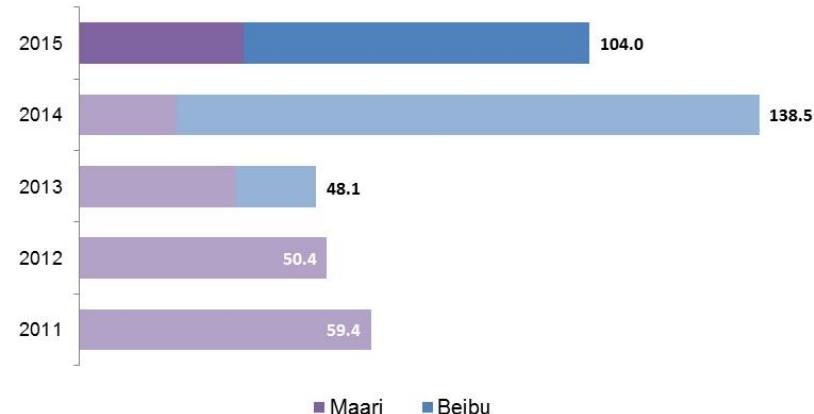


Key performance measures – last five financial years

Production (bbls)



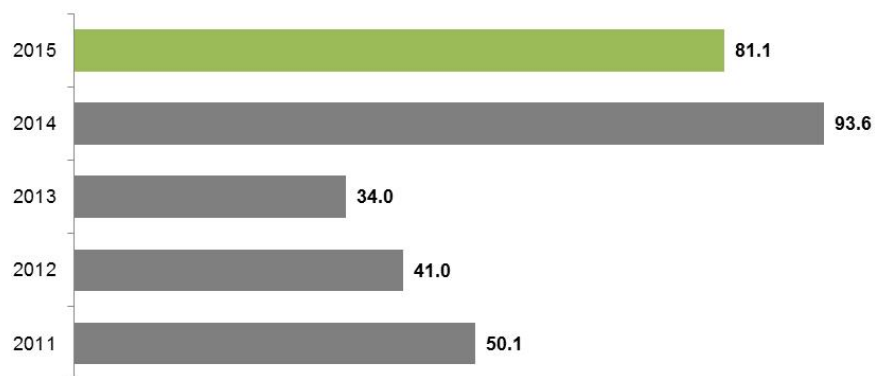
Revenue (US\$m)



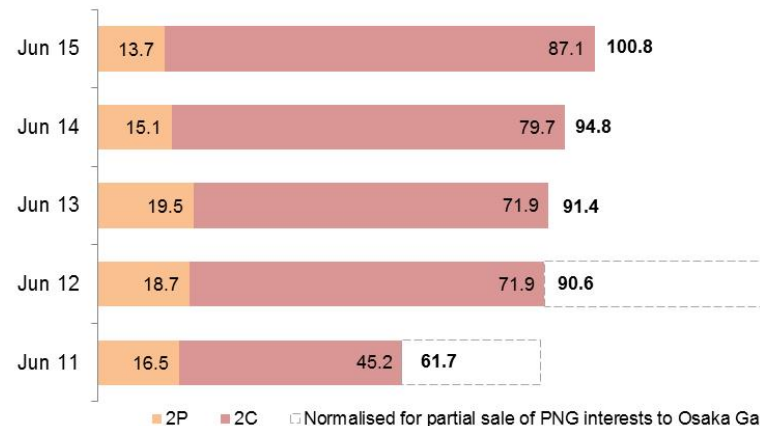
Completion of Maari Growth Project in July 2015 expected to increase production in 2016

The outlook for 2016 in the current oil price environment remains positive due to the benefit of oil price hedging

Net operating income after opex (incl China Special Levy), excluding extraordinary (US\$m)



2P + 2C Reserves and Contingent Resources (mmboe)

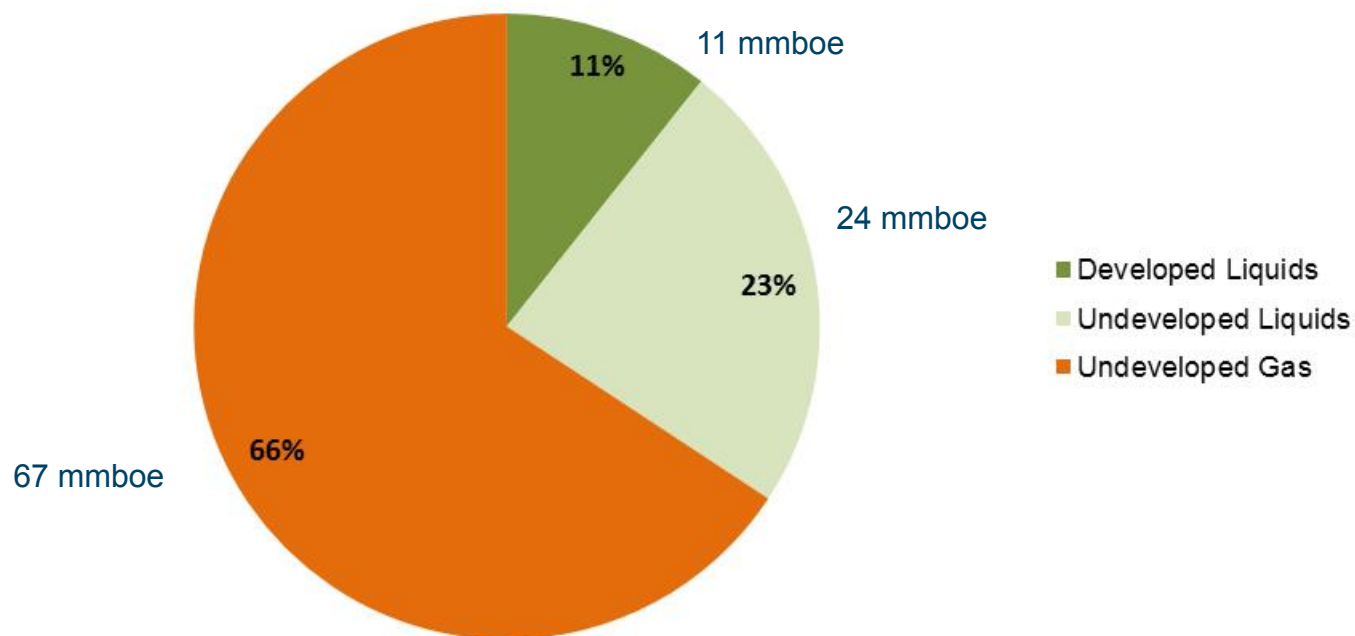


Average cash cost of US\$14.10/barrel for the year expected to be maintained during the low oil price environment

Reserves for each year end are adjusted to account for the prior year's production

Balanced portfolio – focus on resource development

Large audited reserves and contingent resources
 11% developed / 89% undeveloped – 34% oil / 66% gas



2P + 2C reserves and contingent resources of **101 mmboe**

Strategic priorities

- Focus on growing Horizon Oil to be an E&P leader in Asia-Pacific upstream space
- Optimise oil and gas production from our existing producing fields
- **Develop discovered resources within our existing asset portfolio, taking advantage of anticipated capital cost deflation resulting from low oil prices**
- Evaluate the company's exploration portfolio in and around our development assets
- Undertake disciplined evaluations of new opportunities and continual review of our portfolio to ensure focus, balance and growth
- Manage capital expenditure budget conservatively, especially in low oil price environment
- Maintain a prudent financial outlook, minimise risk where possible and optimise our capital structure to emerge strongly from currently depressed E&P market



Please visit the Horizon Oil website
www.horizonoil.com.au to see:-

Detailed Investor Presentation

Latest Quarterly Report

Analyst reports on HZN

Level 6, 134 William St,
Woolloomooloo NSW 2011

Tel: +612 9332 5000

Fax: +612 9335 5050

Email: exploration@horizonoil.com.au



The reserve and resource information contained in this announcement is based on information compiled by Alan Fernie (Manager – Exploration and Development). Mr Fernie (B.Sc), who is a member of AAPG, has more than 38 years relevant experience within the industry and consents to the information in the form and context in which it appears.