



Horizon Oil Limited ABN 51 009 799 455
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The Manager, Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Purchase and cancellation of US\$21.2 million of Convertible Bonds

Horizon Oil Limited advises that it has purchased in the open market, by private contract, US\$21.2 million of the US\$80m 5.5% Convertible Bonds (**Bonds**) due for redemption on 17 June 2016 and has surrendered the purchased Bonds for cancellation in accordance with the Bond trust deed.

Commenting on the purchase and cancellation, Horizon Oil's Chief Executive Officer, Brent Emmett stated:

"The on-market purchase of more than a quarter of the Bonds is indicative of the Company's commitment to utilising its significant cash balances to reduce debt, as and when it is prudent to do so. The early purchase will lead to direct savings to the Company of approximately US\$2 million by way of reduced interest payments."

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
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