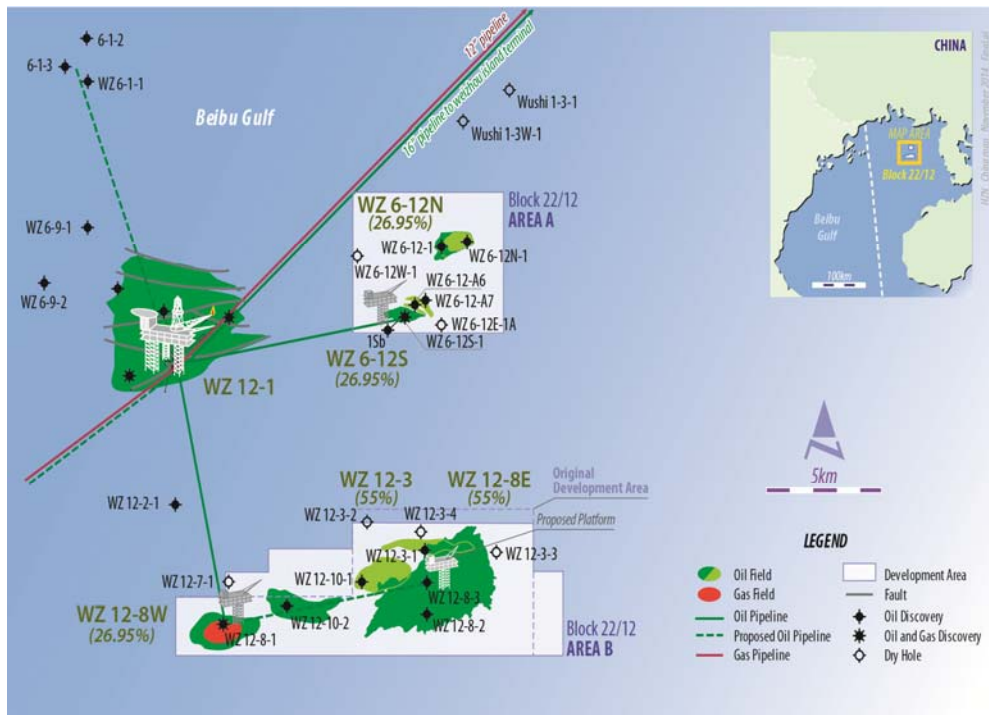


17 November 2015

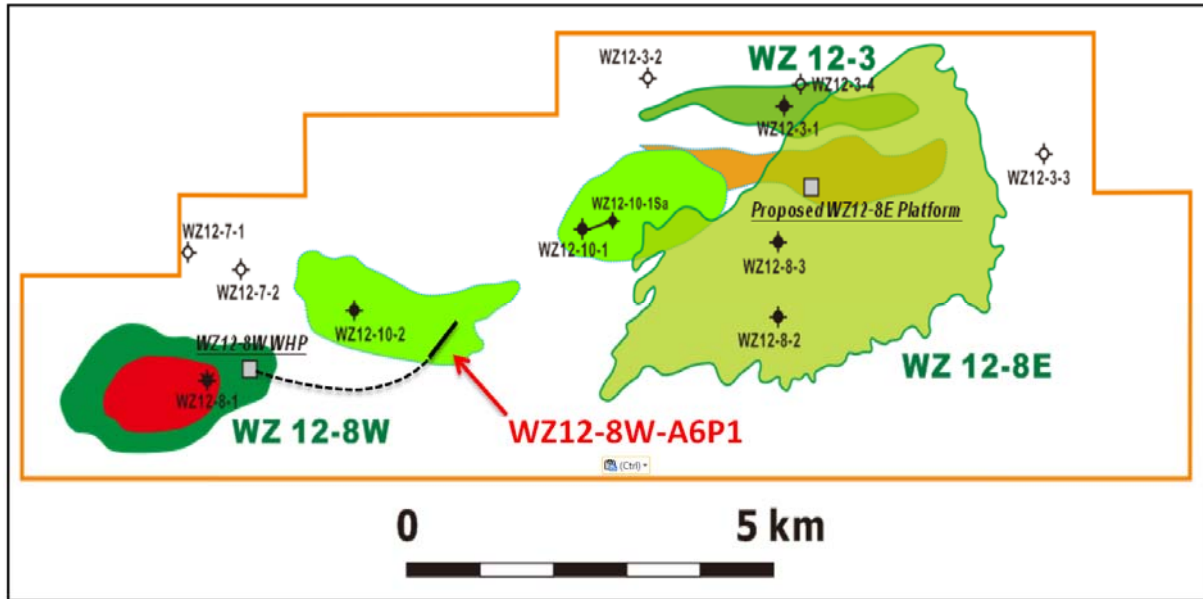
The Manager, Company Announcements
 ASX Limited
 Exchange Centre
 20 Bridge Street
 Sydney NSW 2000

HORIZON OIL (HZN) ADVISES SPUD OF WZ 12-8W-A6P1 APPRAISAL WELL IN CHINA

Horizon Oil advises that the WZ 12-8W-A6P1 appraisal well, Beibu Gulf, People's Republic of China, spudded at 21:00 hrs local time on 14 November 2015. The well is located in the Weizhou 12-8 Fields Area 1.5 km east of the WZ 12-10-2 discovery well (see map below), which was drilled in 2014 and found oil in the T42 sandstone.



The well objective is to evaluate the structure, sand and oil column thickness in the southeast part of the WZ 12-10-2 structure. Depending on results, a sidetrack will be drilled either at this location or towards the original discovery location WZ 12-10-2, to provide a horizontal producer which will add near term incremental production into the current WZ 6-12/12-8W utility platform, as well as determine production and reservoir performance from the WZ 12-10-2 T42 main sand oil pool prior to full-scale field development planning in 2016. The intention is to plan for an integrated development of the WZ 12-10-1, 12-10-2, 12-8E and 12-3 oil accumulations.



The current operation is drilling the 16" hole of the pilot well at 796 m, towards section TD at 1,107 m. The pilot well is anticipated to take about 10 days to drill to a planned total depth of 2,950 m and, in the event an oil column is confirmed at this location, a horizontal production sidetrack will take a further 16 days.

Yours faithfully,

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 Chief Financial Officer / Company Secretary

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