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The Manager, Company Announcements
Australian Securities Exchange Limited
Exchange Centre
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HORIZON OIL (HZN) ANNOUNCES OIL DISCOVERY IN THIRD BEIBU GULF EXPLORATION WELL, OFFSHORE CHINA

Horizon Oil Limited is pleased to advise that the WZ 6-12-A7 deviated step-out exploration well has intersected a total of 10.4 m of oil pay (vertical thickness) in two Weizhou formation zones associated with the Sliver prospect. Horizon Oil holds a 55% interest in the well through its wholly-owned subsidiaries Horizon Oil (Beibu) Limited and Horizon Oil (Nanhai) LLC, which reduces to 26.95% upon the election of CNOOC Limited to participate in any discoveries made.

The well also evaluated sands of the deeper Liushagang formation, which were water wet with oil shows and with up-dip potential remaining.

Production liner has been run over the oil pay section to enable the well, which was drilled from the WZ6-12 wellhead platform, to be equipped as a production well.

A release by Roc Oil (China) Company, operator of the Block 22/12 exploration licence, is attached and provides details of the drilling result, the well status and forward program.

Horizon Oil's Chief Executive Officer, Brent Emmett, commented:-

"We are very pleased with the outcome of the three well exploration program, which we expect to result in a meaningful increase in reserves and field production potential. The operations team composed of CNOOC, COSL and Roc Oil personnel has performed commendably in carrying out the exploration drilling program and this augurs well for the development drilling phase, which will begin shortly."

Yours faithfully,

Michael Sheridan
Chief Financial Officer/Company Secretary



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ASX RELEASE

OIL DISCOVERY, BEIBU GULF EXPLORATION DRILLING PROGRAMME, WZ6-12-A7 WELL, OFFSHORE CHINA

Roc Oil (China) Company, a wholly owned subsidiary of ROC and the operator of the exploration wells within the WZ6-12 and WZ12-8 West Oil Field Development areas, advises that the WZ6-12-A7 deviated step-out exploration well, designed to test the Sliver fault segment and the Liushagang footwall exploration prospects, reached a total depth (TD) of 2,658 metres (2,211 metres TVD) in the Liushagang formation on 11 November. The well was drilled by the HYSY 931 drilling rig located over the WZ6-12 Wellhead Platform.

The WZ6-12-A7 is the third successful well in a three well exploration programme. This well intersected a total of 10.4 metres (TVD) of net oil pay in the Weizhou formation associated with the Sliver prospect and 7" production liner is being run to enable future completion and tie-in for production. Oil samples and pressure data have been gathered to assist with determination of the extent of the oil column.

The well also encountered 79 metres (TVD) of net water wet sands with oil shows in the underlying Liushagang formation with up-dip potential remaining.

The exploration discoveries will be integrated into the current Beibu Development Project and the well results will be utilized to further optimize the development wells. In view of the positive exploration results, the WZ 6-12 area is now being re-examined for additional exploration potential. At least two additional development wells will be required for the WZ6-12 North field development. Targeted first oil production of the Beibu programme remains early 2013.

The HYSY 931 Rig (operated by CNOOC) will commence drilling the development wells over the WZ6-12 Wellhead Platform shortly, following suspension of the WZ6-12-A7 well. Provision has been made in the Beibu production facilities design to provide the flexibility to produce the new oil zones discovered during the exploration drilling program.

Commenting on the well results, ROC's CEO Mr Alan Linn said:

"ROC is very pleased with the successful completion of the Beibu Gulf exploration drilling programme and with the discovery of oil pay in one of the target objectives in the A-7 well. The successful and safe drilling of these wells ahead of schedule and under budget, typifies the strong and successful working relationship between the JV partners – CNOOC, COSL¹ and ROC. This will also ensure the efficient integration of the discoveries into the overall development plan, delivering incremental reserves and additional production to the project."

Participating interests* in the Beibu Gulf exploration programme are:

Roc Oil (China) Company	40%
Horizon Oil (Beibu) Ltd	30%
Horizon Oil (Nanhai) LLC	25%
Oil Australia Pty Ltd (Majuko Corp)	5%

*For exploration drilling, the above interests are subject to CNOOC election of participation of up to 51% in any discoveries made

1. A CNOOC subsidiary and drilling contractor

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In accordance with ASX Listing Rules, the information in this Release has been reviewed and approved by Dr Pierre Eliet, General Manager - Exploration, Geoscience & Business Development, Roc Oil Company Limited, BA (Earth Science) Phd (Geology). Dr Eliet, who is a Fellow of the Geological Society London (FGS), has more than 17 years relevant experience within the industry and consents to the information in the form and context in which it appears.

Beibu Gulf WZ 6-12 and WZ12-8

