

Horizon Oil Limited ABN 51 009 799 455

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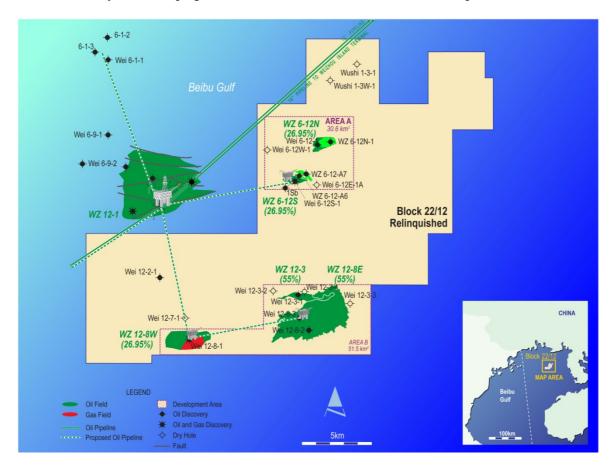
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The Manager, Company Announcements Australian Securities Exchange Limited Exchange Centre 20 Bridge Street Sydney NSW 2000

HORIZON OIL (HZN) ADVISES DEVELOPMENT DRILLING UPDATE ON BEIBU GULF PROJECT, OFFSHORE CHINA

Horizon Oil Limited advises that the ten well development drilling program from the WZ 6-12 wellhead platform has been completed safely, ahead of schedule and within budget. Production from the WZ 6-12 fields is currently 10,000 bopd gross, of which Horizon Oil's share is 2,700 bopd.



The *HYSY 931* jack-up drilling rig moved off the WZ 6-12 platform on 15 June 2013 and onto the WZ 12-8W wellhead platform for the five well development drilling program. The first well, WZ 12-8W-A1H, spudded at 1330 hrs on 19 June. Drilling on the WZ 12-8W field is expected to be completed in

September 2013, by which time plateau production from the overall project is anticipated to be achieved at rates of 16,000 - 18,000 bopd, of which Horizon Oil's share will be approximately 4,500 bopd.

Participating interests in the Beibu Gulf Development Project are:

Horizon Oil (Beibu) Ltd and wholly-owned subsidiary ¹	26.95%
CNOOC Limited	51.0%
Roc Oil (China) Company	19.6%
Oil Australia Pty Ltd (Majuko Corp)	2.45%

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

Progress on the development of the Beibu Gulf Project continues to be very good. Development of the reserves that were the subject of an 18% upgrade announced in March 2013 has now been satisfactorily incorporated in the expanded development of the WZ 6-12 fields and these are producing at the higher end of our expectations. Although all ten wells in this area are connected to the production system and on stream, two of the wells are flowing and not yet on pump and a number of oil productive zones have not yet been opened. This provides scope for some production upside from the WZ 6-12 fields.

CNOOC is doing a commendable job as field operator in terms of safety, schedule and cost and this gives us confidence as we go into the WZ 12-8W development drilling program.

Horizon Oil has begun to receive revenue from the sale of its current net production of 2,700 bopd which is a material supplement to the approximately 1,000 bopd net production from Maari and Manaia fields in New Zealand.

Yours faithfully,

Michael Sheridan

Chief Financial Officer/Company Secretary

ASX.

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¹ Petsec Petroleum LLC holding a 12.25% interest