



Horizon Oil Limited ABN 51 009 799 455

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

HORIZON OIL (HZN) ACQUISITION OF ADDITIONAL INTERESTS IN PRL 4 AND PRL 5, PAPUA NEW GUINEA

Horizon Oil advises that InterOil Corporation has agreed to sell its 43.130% interest in PRL 4, which contains the Stanley gas/condensate discovery, and its 28.576% interest in PRL 5, which contains the Elevala and Ketu gas/condensate discoveries, to a wholly owned subsidiary of Horizon Oil for US\$6.5 million and a first right of refusal to purchase its share of condensate produced from the licences. The acquisition of the participating interests remains subject to PNG government approval and, in the case of PRL 5 is subject to standard pre-emptive rights of a co-venturer.

Horizon Oil has been steadily increasing its interests in the petroleum retention licences over the last several years, with the objective of building a substantial interest in a large discovered resource. As a result of the transactions, the Company will have a participating interest of 100% in PRL 4 and up to 49.647% in PRL 5. The Company has previously advised commercialisation opportunities for Stanley to begin as early as next year.

Yours faithfully,

Michael Sheridan
Chief Financial Officer / Company Secretary



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