



Horizon Oil Limited ABN 51 009 799 455

Level 7, 134 William Street, Woolloomooloo NSW Australia 2011

Tel +61 2 9332 5000, **Fax** +61 2 9332 5050 www.horizonoil.com.au

27 April 2009

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

HORIZON OIL (HZN) GENERAL MEETING

I attach the notice for a General Meeting of the Company to be held on 28 May 2009.

A copy of the notice will be sent to shareholders and can be downloaded from the Company's website www.horizonoil.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Sheridan". The signature is fluid and cursive, written over a white background.

Michael Sheridan
Chief Financial Officer / Company Secretary



For further information please contact:

Mr Michael Sheridan

Telephone: (+612) 9332 5000

Facsimile: (+612) 9332 5050

Email: exploration@horizonoil.com.au

Or visit: www.horizonoil.com.au



Horizon Oil Limited
ABN: 51 009 799 455
(the "Company")

Notice of General Meeting

A General Meeting of the members of the Company will be held in the Stanley Room, Level 2, Bayview Boulevard Hotel, 90 William Street, Sydney on Thursday 28 May 2009 at 10.00 am AEST to conduct the business set out below.

Members should refer to the accompanying Explanatory Memorandum for further information concerning the business of the meeting. Capitalised terms used in this Notice of General Meeting have the meaning given to them in the Glossary of the Explanatory Memorandum.

Business

1 Resolution 1 - Subsequent approval and ratification of issue of First Tranche of Placement Shares

To consider and, if thought appropriate, to pass the following resolution as an ordinary resolution:

"That the issue by the Company of 119,776,727 fully paid ordinary Horizon Oil Limited shares to various institutional and sophisticated investors on 17 April 2009 at an issue price of A\$0.10 per share, as described in the Explanatory Memorandum accompanying the Notice of General Meeting convening the meeting, is subsequently approved and ratified for all purposes including for the purposes of Listing Rule 7.4".

2 Resolution 2 - Approval of issue of Second Tranche of Placement Shares

To consider and, if thought appropriate, to pass the following resolution as an ordinary resolution:

"That the issue by the Company of 65,223,273 fully paid ordinary Horizon Oil Limited shares to various institutional and sophisticated investors on or about 3 June 2009 at an issue price of A\$0.10 per share, as described in the Explanatory Memorandum accompanying the Notice of General Meeting convening the meeting, is approved for all purposes including for the purposes of Listing Rule 7.1".

Recommendation

The Directors consider that the Resolutions are in the interests of Shareholders and therefore recommend that you vote in favour of the Resolutions.

Voting exclusion statement

In accordance with the Listing Rules, the Company will disregard any votes cast in respect of:

- (a) **Resolution 1**, by any of the allottees of Placement Shares under First Tranche of the Placement and their respective associates; and
- (b) **Resolution 2**, by any person who may participate in the proposed issue of Placement Shares under the Second Tranche of the Placement and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if Resolution 2 is passed, and any associates of those persons.

However, the Company need not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

According to a resolution of the Directors

Dated: 27 April 2009

A handwritten signature in black ink, appearing to read 'Michael Sheridan', written in a cursive style.

Michael Sheridan
Company Secretary

Determination of entitlement to attend and vote

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that, for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as members as at 7.00 pm AEST on Tuesday 26 May 2009.

Proxies

If you are a member entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which, each may exercise half of the votes. A proxy need not be a member of the Company.

If you want to appoint one proxy, please use the form provided. If you want to appoint two proxies, please follow the instructions on the reverse of the proxy form.

The Company's constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a member or is also a proxy for another member, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

To be effective, the proxy form must be received by Registries Limited, at the address, facsimile number below or by online submission, or by the Company at its registered office, Level 7, 134 William Street, Sydney NSW 2011, not later than 10.00 am AEST on Tuesday 26 May 2009.

By mail:

Registries Limited
GPO Box 3993
Sydney NSW 2001
AUSTRALIA

For delivery:

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000
AUSTRALIA

By fax:

Registries Limited
+61 2 9279 0664

You may submit your proxy form online at www.registries.com.au/hzngm. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is printed on the attached proxy form.

Admission to meeting

Members who will be attending the meeting and who will not be appointing a proxy, are asked to bring the proxy form to the meeting to help speed admission.

Members who do not plan to attend the meeting are encouraged to complete and return a proxy form for each of their holdings of the Company's shares.

A replacement proxy form may be obtained from the Company's external share register:

Registries Limited
Level 7, 207 Kent Street,
Sydney NSW 2000,
AUSTRALIA
Telephone: +61 2 9290 9600
Fax: +61 2 9279 0664
Email: callcentre@registries.com.au



Horizon Oil Limited
ABN: 51 009 799 455
(the "Company")

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions to be considered at the General Meeting, which are set out in the accompanying Notice of General Meeting dated 27 April 2009 ("**Notice**"), to assist Shareholders to determine how they wish to vote on the Resolutions.

Shareholders should read this Explanatory Memorandum in full because individual sections do not give a comprehensive review of the Resolutions. This Explanatory Memorandum forms part of the accompanying Notice and should be read together with the Notice.

If you are in doubt about what to do in relation to the Resolutions contemplated in this Explanatory Memorandum, you should consult your financial or other professional advisor.

This Explanatory Memorandum is dated 27 April 2009.

Capitalised terms used in this Explanatory Memorandum have the meaning given to them in the Glossary of this Explanatory Memorandum.

Items of business

1 Resolution 1 - Subsequent approval and ratification of issue of First Tranche of Placement Shares

Background

As announced to the ASX on 14 April 2009, the Company completed the first tranche (comprising 119,776,727 new fully paid ordinary shares in the Company ("**Shares**") of the Placement to institutional and sophisticated investors out of a total of 185,000,000 Shares to be issued by the Company under the Placement at an issue price of A\$0.10 per Share (the "**Placement Shares**") to raise A\$18.5 million.

The Placement Shares will be issued in two tranches, with the first tranche comprising 119,776,727 Shares ("**First Tranche**") and the second tranche to comprise 65,223,273 Shares ("**Second Tranche**"). The First Tranche of Placement Shares were issued on 17 April 2009. The Second Tranche of Placement Shares are expected to be issued, subject to the approval by Shareholders of Resolution 2, no later than 14 days after the date on which such Shareholder approval is granted (and in any event, no later than 3 months from the date of the General Meeting).

The Placement Shares are fully paid ordinary shares in the capital of the Company and have the same terms as all other existing Shares on issue.

The First Tranche of Placement Shares represented 15% of the Company's shares on issue (calculated before the issue). Allottees were selected on the basis that they were institutional investors or sophisticated investors having the attributes necessary to permit the Company to issue Shares to them under a private share placement (in accordance with section 708 of the Corporations Act).

On 14 April 2009 the Company also announced a non-underwritten Share Purchase Plan ("**SPP**") providing eligible Australian and New Zealand domiciled shareholders with the opportunity to subscribe for up to A\$10,000 of new fully paid ordinary Shares at an issue price of A\$0.10 per Share. The SPP enables all eligible Shareholders to participate in the capital raising activities of the Company and to counter the dilutive impact of the Placement. The Company has received relevant waivers from ASIC and ASX to allow the Company to issue up to A\$10,000 of new Shares to each eligible Shareholder at an issue price of A\$0.10 per share and accordingly, Shareholder approval of the SPP is not required. The full terms and conditions of the SPP are contained in the SPP offer document dated 27 April 2009 which should be read by Shareholders in full.

Proposed subsequent Shareholder approval

Under Listing Rule 7.1, there is a 15% cap on the number of new securities a company can issue over any 12 month period. The First Tranche of Placement Shares issued by the Company were within the 15% limit and therefore Shareholder approval was not required for the issue of those Shares. Listing Rule 7.4 provides that a company may seek the subsequent approval of shareholders to an issue of securities. The benefit of obtaining such approval is that the Company's capacity to raise additional capital without the need to obtain Shareholder approval is refreshed. This provides additional funding flexibility for the Company.

Effect of the proposal

If Resolution 1 is approved, the Company will not have to count the Shares issued under the First Tranche of the Placement towards the 15% of additional securities that may be issued by the Company in any 12 month period under Listing Rule 7.1. To that extent, the Company's capacity to issue capital in compliance with the 15% limit under Listing Rule 7.1 will be refreshed. The Directors of the Company consider it prudent to maintain such funding flexibility as part of the Company's capital management strategy.

If Resolution 1 is not approved, this will have no impact upon the Shares issued under the First Tranche of the Placement. Those Placement Shares have already been issued and quoted on the ASX. It would simply mean that in calculating the capacity of the Company to raise capital under Listing Rule 7.1, the Placement Shares issued under First Tranche of the Placement would be counted towards the 15% of additional securities that may be issued by the Company in any 12 month period.

Use of funds raised

The funds raised from the First Tranche of the Placement Shares totalled approximately A\$12 million before expenses and are to be used to finance:

- Ø part repayment of the Company's corporate debt facility;
- Ø pre-development costs associated with PRL 4 (Stanley) and PRL 5 (Elevala/Ketu) in Papua New Guinea;
- Ø pre-development costs associated with Block 22/12 in China; and
- Ø the Company's working capital requirements.

Voting exclusion

In accordance with Listing Rule 14.11, those Shareholders who received an allotment of Placement Shares under the First Tranche of the Placement and their respective Associates are excluded from voting on Resolution 1.

Recommendation

The Board believes that the proposal the subject of Resolution 1 is in the best interests of Shareholders and will provide the Company with the flexibility necessary to raise additional capital as and when appropriate. Accordingly, the Board recommends that you vote in favour of Resolution 1.

2. Resolution 2 - Approval of issue of Second Tranche of Placement Shares

Background

As noted in relation to **Resolution 1** above, the Company successfully completed the First Tranche of the Placement (comprising 119,776,727 Shares) to institutional and sophisticated investors on 17 April 2009. The issue by the Company of the proposed Second Tranche of Placement Shares (comprising 65,223,273 Shares at an issue price of A\$0.10 per Share) is subject to Shareholder approval in accordance with Listing Rule 7.1.

The proposed Second Tranche of Placement Shares are fully paid ordinary shares in the capital of the Company and will have the same terms and conditions as all other existing shares on issue (including the Placement Shares issued under the First Tranche of the Placement).

The Second Tranche of Placement Shares are expected to be issued no later than 14 days after the date on which Shareholder approval is granted (and in any event, no later than 3 months from the date of the General Meeting).

Allottees for the Second Tranche Placement Shares have been selected on the basis that they are institutional investors or sophisticated investors having the attributes necessary to permit the Company to issue Shares to them under a private share placement (in accordance with section 708 of the Corporations Act).

Shareholder approval

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required in order for a listed company to issue or agree to issue equity securities if the number of equity securities to be issued together with equity securities issued within the previous 12 months is greater than 15% of the total number of the company's equity securities on issue.

As the First Tranche of Placement Shares already issued, together with the Placement Shares proposed to be issued under the Second Tranche pursuant to this Resolution 2 represent more than 15% of the Company's issued share capital, approval of the Second Tranche of Placement Shares under Listing Rule 7.1 is required.

Effect of the proposal

If Resolution 2 is approved, the Company will not have to count the Shares issued under the Second Tranche of the Placement towards the 15% of additional securities that may be issued by the Company in any 12 month period under Listing Rule 7.1. To that extent, the Company's capacity to issue capital in compliance with the 15% limit under Listing Rule 7.1 will be refreshed. The Directors of the Company consider it prudent to maintain such funding flexibility as part of the Company's capital management strategy.

If Resolution 2 is not approved, it would mean that in calculating the capacity of the Company to raise capital under Listing Rule 7.1, the Placement Shares issued under the Second Tranche of the Placement would be counted towards the 15% of securities that may be issued by the Company in any 12 month period. Accordingly, without such approval, the Company would not be able to issue the Placement Shares pursuant to the Second Tranche of the Placement.

Use of funds raised

If approved by Shareholders, the issue of the proposed Second Tranche of 65,223,273 Placement Shares will raise approximately A\$6.5 million before expenses. The proceeds of this intended issue constitute the balance of the A\$18.5 million referred to in the explanation of Resolution 1 above. The funds raised from the Second Tranche of the Placement Shares will be used to finance:

- Ø part repayment of the Company's corporate debt facility;
- Ø pre-development costs associated with PRL 4 (Stanley) and PRL 5 (Elevala/Ketu) in Papua New Guinea;
- Ø pre-development costs associated with Block 22/12 in China; and
- Ø the Company's working capital requirements.

Voting exclusion

In accordance with Listing Rule 14.11, those Shareholders who may participate in the proposed issue of Placement Shares under the Second Tranche of the Placement and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if Resolution 2 is passed, and any Associates of those persons, are excluded from voting on Resolution 2.

Recommendation

The Board believes that the proposal the subject of Resolution 2 is in the best interests of Shareholders and will provide the Company with the flexibility necessary to raise additional capital as and when appropriate. Accordingly, the Board recommends that you vote in favour of Resolution 2.

Glossary

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

Board means the board of Directors of the Company.

Company means Horizon Oil Limited ACN 009 799 455.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

First Tranche means the first of tranche of 119,776,727 Shares issued by the Company to institutional and sophisticated investors on 17 April 2009 pursuant to the Placement.

Listing Rules means the official listing rules of ASX.

Notice means the Notice of General Meeting dated 27 April 2009.

Placement means the placement (via the First Tranche and the Second Tranche) of 185 million Shares to institutional and sophisticated investors to raise a total amount of approximately A\$18.5 million.

Placement Shares means Shares issued by the Company pursuant to the Placement.

Resolution means the respective resolution as set out in the Notice.

Second Tranche means the second tranche of 65,223,273 Shares to be issued, subject to the approval by Shareholders of Resolution 2, to institutional and sophisticated investors or about 3 June 2009 pursuant to the Placement.

Shares means fully paid ordinary shares in the capital of the Company.

SPP means the non-underwritten share purchase plan being conducted by the Company providing eligible Australian and New Zealand domiciled Shareholders with the opportunity to subscribe for up to A\$10,000 of new Shares at an issue price of A\$0.10 per Share.

Miscellaneous

In this Notice and Explanatory Memorandum:

- a references to "A\$" or "dollars" in this document are references to Australian dollars;
- a reference to time is a reference to AEST time;
- headings are for convenience only and do not affect interpretation; and
- the singular includes the plural and vice versa.

Sydney

27 April 2009



HORIZON OIL LIMITED (the "Company")

ABN 51 009 799 455

General Meeting Proxy Form

All correspondence to:

Registries Limited
GPO Box 3993
Sydney NSW 2001
Enquiries: 61 2 9290 9600
Facsimile: 61 2 9279 0664
www.registriesltd.com.au
registries@registries.com.au

.. Mark this box with an 'X' if you are Issuer Sponsored and want to make any changes to your address details (see reverse)

Voting Access Code (VAC)

Appointment of Proxy

If appointing a proxy to attend the General Meeting on your behalf, please complete the form and submit it in accordance with the directions at the bottom of the page.

I/We being a shareholder/shareholders of the Company pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark with an "X") **OR**

or failing him/her

Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting to be held in the Stanley Room, Level 2, Bayview Boulevard Hotel, 90 William Street, Sydney on Thursday 28 May 2009 at 10.00 am AEST and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of resolutions 1 & 2, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolution 1 & 2 and votes cast by the Chair of the meeting for resolution 1 & 2 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolution 1 & 2 and your votes will not be counted in calculating the required majority if a poll is called on the resolutions. The Chair intends to vote 100% of all open proxies in favour of all resolutions.

Voting directions to your proxy – please mark x to indicate your directions

RESOLUTION	For	Against	Abstain*
1. That the issue by the Company of 119,776,727 fully paid ordinary Horizon Oil Limited shares to various institutional and sophisticated investors on 17 April 2009 at an issue price of A\$0.10 per share, as described in the Explanatory Memorandum accompanying the Notice of General Meeting convening the meeting, is subsequently approved and ratified for all purposes including for the purposes of Listing Rule 7.4.
2. That the issue by the Company of 65,223,273 fully paid ordinary Horizon Oil Limited shares to various institutional and sophisticated investors on or about 3 June 2009 at an issue price of A\$0.10 per share, as described in the Explanatory Memorandum accompanying the Notice of General Meeting convening the meeting, is approved for all purposes including for the purposes of Listing Rule 7.1.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director

Director / Company Secretary

Dated this _____ day of _____ 2009

Contact Name

Contact Business Telephone / Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of the Company. If you are Issuer Sponsored and this information is incorrect, please mark the box at the top of the proxy form and make the correction on the form. Securityholders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the General Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 10.00 am AEST on 26 May 2009 (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand deliveries

**Registries Limited
Level 7
207 Kent Street
Sydney NSW 2000**

Postal address:

**Registries Limited
GPO Box 3993
Sydney NSW 2001**

Fax number:

(02) 9279 0664

Internet:

www.registries.com.au/hzngm

10. Online Proxy Voting Instructions

You may submit your proxy form online at www.registries.com.au/hzngm. You will need your Voting Access Code (VAC) which is clearly printed on the front of the proxy form. You will also need your HIN or SRN which is printed on your last CHESS or Issuer Sponsored Statement. Simply follow the prompts after logging on to cast your votes.