



Horizon Oil Limited ABN 51 009 799 455

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The Manager, Company Announcements
Australian Stock Exchange Limited
Exchange Centre
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HORIZON OIL (HZN): MAARI DEVELOPMENT DRILLING UPDATE – 23 Mar 09

Horizon Oil Limited advises further good progress on the development drilling program and field production since the last drilling update provided to shareholders on 11 March 2009. In that update it was reported that the second production well, MR4P9, had been brought on stream and was flowing to the FPSO *Raroa* in clean-up mode.

The Company is pleased to advise that the MR3P8 and MR4P9 wells are flowing clean oil on natural flow with 25% production chokes at a peak combined rate of over 26,000 bopd. The wells are being shut-in from time to time to accommodate simultaneous drilling operations. The flow rates have necessitated bringing forward the date of the first oil cargo lifting to the first week of April.

The third production well, MR5P12, has been drilled to a total depth of 4,772 m and the lower completion run in about 1,800 m of oil-filled reservoir sand. The upper completion was subsequently installed and the well is currently being hooked-up, with production anticipated to begin in the first week of April.

The next phase of the drilling campaign is to drill the three water injection wells. The *Ensco 107* jack-up rig is currently drilling ahead on the first of these, MR7P5, at a depth of 344 m.

The Maari Oil Field is located in PMP 38160, in the offshore Taranaki basin, New Zealand. Oil production will ramp up towards the expected initial gross rate of 35,000 barrels of oil as the development wells are progressively drilled and turned to the FPSO. The proven and probable (2P) production profile forecasts recoverable volumes of 61 million barrels of oil from the Moki reservoir over the 22 year term of the Petroleum Mining Permit.

The participants in the development are:-

Horizon Oil International Limited (a wholly owned subsidiary of Horizon Oil Limited)	10%
OMV New Zealand Limited (Operator)	69%
Todd Maari Limited	16%
Cue Taranaki Pty Ltd (a wholly owned subsidiary of Cue Energy Resources Limited)	5%

Yours faithfully,



B D Emmett
Chief Executive Officer



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