



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) SHARE PURCHASE PLAN

Following the announcement to the market on 14 April 2009, Horizon Oil Limited (the 'Company') has commenced sending to all Eligible Shareholders the attached documentation to enable them to participate in the Company's Share Purchase Plan ('SPP').

Under the SPP, all Eligible Shareholders who were recorded on the register as at 7.00pm AEST on 20 April 2009 may each contribute up to A\$10,000 in applying for new fully paid ordinary shares in the Company at an issue price of \$0.10 per share.¹

The SPP opens at 10.00am AEST on Monday 27 April 2009 and closes at 5.00pm AEST on Wednesday 20 May 2009. Shares purchased under the SPP are expected to be allotted on or about Wednesday 27 May 2009.

Capitalised expressions used in this letter have the meaning ascribed in the enclosed Terms and Conditions.

Yours faithfully,

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

¹ ASIC and the ASX have granted relevant waivers to allow the Company to issue up to A\$10,000 of new ordinary shares to each Eligible Shareholder at an issue price of A\$0.10 per share under the SPP.



Horizon Oil Limited

ABN 51 009 799 455

Share Purchase Plan Offer

27 April 2009

IMPORTANT – PLEASE READ

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION AND REQUIRES YOUR
IMMEDIATE ATTENTION**

**IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH THIS DOCUMENT, YOU
SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT OR INDEPENDENT
FINANCIAL ADVISER**

Joint Lead Managers

ABN AMRO Morgans Limited

Rothschild Australia Limited

Dear Shareholder

The Board of Directors of Horizon Oil Limited (“Horizon Oil” or “Company”) is pleased to invite Eligible Shareholders (being holders of fully paid ordinary shares of Horizon Oil at 7.00pm AEST on 20 April 2009 with a registered address in either Australia or New Zealand) to participate in an opportunity to purchase additional fully paid ordinary shares in Horizon Oil under the Share Purchase Plan (“SPP”).

Horizon Oil announced to the Australian Stock Exchange (“ASX”) on 14 April 2009 that it was undertaking a capital raising by way of an SPP and a placement. The offer of Horizon Oil shares under the SPP opens at 10.00am AEST on Monday 27 April 2009 and closes on Wednesday 20 May 2009 at 5.00pm AEST.

As also announced on 14 April 2009, the Company is conducting a placement of 185 million fully paid ordinary Horizon Oil shares to institutional and sophisticated investors (“Placement”) to raise a total amount of approximately A\$18,500,000. The Placement was offered via an initial tranche of 119,776,727 shares (issued on 17 April 2009) and a second tranche of a further 65,223,273 shares (to be issued on or about 3 June 2009), subject to and conditional on approval of Horizon Oil shareholders for the purposes of ASX Listing Rule 7.1.

As communicated to the market on 14 April 2009, the severe downturn in debt and equity capital markets and the fall in oil prices, all of which began in the last quarter of 2008 and persist today, coupled with a 6 month delay in bringing the Maari field onstream, have necessitated a disciplined, multi-pronged capital raising strategy to ensure that the Company is in a financially stable position. The SPP forms an important part of this approach.

Funds raised as a part of the SPP will supplement the proceeds from the Placement to meet the financial obligations of the Company, including:

- Ø part repayment of the Company’s corporate debt facility – under recently announced restructuring arrangements of the Company’s debt facilities, the Company’s financier Bank of Scotland International (‘BOSI’) has agreed to defer payment of half of the Company’s US\$19.3 million corporate facility until 31 December 2009. The arrangements remain subject to BOSI formal credit committee approval. Under the renegotiated terms US\$9.6 million (rather than US\$19.3 million) will be repaid before 30 June 2009;
- 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.

Remaining development capital expenditure for the Maari project is to be funded from Maari production revenues, with surplus Maari project cash flow to be applied to pay down corporate debt and part of the project debt facility.

The pricing of the SPP offers Eligible Shareholders the opportunity to further invest in Horizon Oil at a discount to the current market price. The offer price at A\$0.10 per share is a 23.4% discount to the volume weighted average price (“VWAP”) of Horizon Oil’s ordinary shares sold on ASX, calculated over the 5 day period on which sales were recorded before the day of the preliminary announcement of a proposed SPP on 8 April 2009 (“Pricing Period”).¹

¹ASIC and the ASX have granted relevant waivers to allow the Company to issue up to A\$10,000 of new ordinary shares to each Eligible Shareholder at an issue price of A\$0.10 per share under the SPP.

Eligible Shareholders may contribute up to A\$10,000 when applying for shares in the Company under the SPP.² Eligible Shareholders can apply for one of the following parcels:

Number of Shares	Application Price	Application Monies
100,000	A\$0.10	A\$10,000.00
75,000	A\$0.10	A\$7,500.00
50,000	A\$0.10	A\$5,000.00
25,000	A\$0.10	A\$2,500.00

The SPP provides Eligible Shareholders with the opportunity to increase their investment in Horizon Oil without the cost of brokerage or commission.

The SPP is available to shareholders who were registered as holders of fully paid ordinary shares of Horizon Oil at 7.00pm AEST on 20 April 2009 with a registered address in Australia or New Zealand. To be eligible, New Zealand shareholders must still be shareholders of the Company on the date of this letter.

Participation in the SPP is optional and is subject to the Terms and Conditions enclosed with this letter and the enclosed SPP Application Form.

This offer under the SPP is non-renounceable and as a result shareholders cannot transfer their right to subscribe for shares under the SPP to other parties. All shares issued under the SPP will rank equally with the existing fully paid ordinary shares of Horizon Oil and will carry the same rights. Shareholders should note that the market price of Horizon Oil shares may rise or fall between the date of this offer and the date when shares are issued under the SPP to applying Eligible Shareholders. Therefore the SPP price may be more or less than the market price of Horizon Oil shares as at the date of issue of SPP shares.

Applications to acquire new shares under the SPP must be made in one of the following two ways:

- 1 Complete and return the Application Form which accompanies this Offer Document together with your cheque, or bank draft for the correct amount. Do not forward cash. Application Forms and payment for new shares **must be received by Horizon Oil's share registry no later than 5.00pm AEST on 20 May 2009**. Registries Limited postal address is GPO Box 3993, Sydney, NSW, 2001. OR
- 2 Submit your payment for new shares via BPAY[®]. If you pay by BPAY[®], then you do not need to return the Application Form, however you will need the Customer Reference Number ("CRN") shown on the Application Form which is required to identify your holding. Payment must be received by **5.00pm AEST on 20 May 2009**. You must take into account the cut off times your financial institution has in advance of this closing date and time. BPAY[®] is only available as a method of payment by using an Australian financial institution.

In the event the amount raised under the SPP exceeds an amount considered by the Company's directors to be appropriate for the Company's funding requirements, shareholders may be allocated fewer shares than the parcel of shares for which they applied ("Scaleback"). Horizon Oil may, in its absolute discretion, undertake a Scaleback to the extent and in the manner it sees fit. Preference will be given to those Eligible Shareholders who were shareholders immediately prior to the announcement of the SPP, those who have not disposed of any of their shareholding

² ASIC and the ASX have granted relevant waivers to allow the Company to issue up to A\$10,000 of new ordinary shares to each Eligible Shareholder at an issue price of A\$0.10 per share under the SPP.

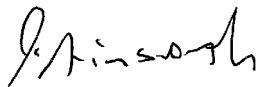
in the period between the announcement of the SPP and the Allotment Date and any such other criteria as determined to be appropriate by the Board of the Company. In the event of a Scaleback, SPP applicants will be refunded the difference between the Application Amount and the Allocation Amount.

It is anticipated that shares will be issued under the SPP on or about 27 May 2009 and that holding statements or confirmation advice will be dispatched before 7.00pm AEST on 28 May 2009.

Capitalised expressions used in this letter have the meaning ascribed in the enclosed Terms and Conditions.

I encourage you to read the attached terms and conditions carefully. You should seek independent advice from your financial or other professional adviser in relation to whether applying for shares under the SPP is an appropriate investment for you. If you have any questions in relation to the SPP, please contact either David Nelson of ABN AMRO Morgans Limited on +61 7 3334 888, Registries Limited on 1300 737 760 (or +61 2 9290 9600 if calling from outside Australia) or Kelvin Bramley of Horizon Oil Limited on +61 2 9332 5000.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Fraser Ainsworth". The signature is written in a cursive, flowing style.

Fraser Ainsworth AM
Chairman

Key Dates*



Date	Event
7.00pm AEST 20 April 2009	Record Date The date and time on which the Company determines who is eligible to participate in the SPP.
10.00am AEST 27 April 2009	Opening Date The date on which the offer under the SPP opens.
5.00pm AEST 20 May 2009	Closing Date The offer closes at, and the applications must be received by, this time and date.
27 May 2009	Allotment Date The expected date on which the shares are allotted.
28 May 2009	Dispatch Date The expected date on which transaction confirmations / holding statements will be sent to shareholder.
1 June 2009	Quotation Date The date for which application for quotation of the shares on the official list of ASX will be made.
1 June 2009	Trading Date The date on which shares are expected to begin trading.

* The Company may change any of the Key Dates, (even if the offer has opened or applications have been received).

Offer timetable

1. The offer timetable is set out in the Key Dates above and is included in these Terms and Conditions.
2. Payment by BPAY[®], Application Forms, cheques and bank drafts may not be processed and may not be valid if they have not been received by the Company by the time and date specified for the Closing Date. Shareholders must allow adequate time for Application Forms and cheques or bank drafts forwarded by post to be received by Registries Limited.
3. The Company expects to send a transaction confirmation to shareholders on or around the Dispatch Date.
4. The Company expects that the shares will be allotted under the SPP on the Allotment Date and will commence trading on ASX on the Trading Date. Shareholders must confirm their holding before trading in any shares they believe to have been allotted to them under the SPP.
5. At any time, the Company can change the Closing Date, Allotment Date, Dispatch Date, the Trading Date or any other Key Date (even if the offer has opened, or BPAY[®] payments and Application Forms have been received) by lodging a revised timetable with ASX.

Participation in the SPP

6. All persons registered as holders of fully paid ordinary shares of Horizon Oil Limited ("Horizon Oil") at 7.00pm on 20 April 2009 ("Record Date") with a registered address in either Australia or New Zealand ("Eligible Shareholders") may participate in the SPP. To be eligible, New Zealand shareholders must still be shareholders of the Company on the Opening Date. The Board of Horizon Oil has determined that it is unlawful or impractical for the SPP to be offered to shareholders of Horizon Oil whose address on the register is a country outside of Australia or New Zealand. A shareholder is not eligible if it is a "US Person" (as defined in Regulation S under the US Securities Act of 1933 as amended) ("US Person") or acting for the account or benefit of a US Person.
7. Participation in the SPP is optional and is subject to these Terms and Conditions.
8. Offers made under the SPP are non-renounceable. This means an Eligible Shareholder cannot transfer their right to purchase shares under the SPP to any other person.
9. Eligible Shareholders, regardless of the number of shares they hold in Horizon Oil, may subscribe for 25,000 (A\$2,500.00), 50,000 (A\$5,000.00), 75,000 (A\$7,500.00) or 100,000 (A\$10,000.00) additional Horizon Oil ordinary shares. No Eligible Shareholder may be issued with shares with an application price totalling more than A\$10,000.
10. The maximum value of A\$10,000 will apply even if a shareholder receives more than one offer from Horizon Oil (for example as a result of holding more than one shareholding under separate share accounts) and irrespective of the number of shares a shareholder holds on the Record Date. Horizon Oil can reject any application for shares if it believes a shareholder has not complied with this condition.
11. Horizon Oil may accept or reject applications for shares under the SPP, including if:
 - a. the Application Form is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;
 - b. a cheque is dishonoured or has not been completed correctly;
 - c. the correct amount corresponding to an application is not provided with the Application Form or BPAY[®] payment by the Closing Date;
 - d. a BPAY[®] payment is not received, is incomplete or is invalid;
 - e. an applicant appears to be contributing more than A\$10,000 of shares under the SPP;
 - f. an application is received after the time and date specified as the Closing Date; or
 - g. the Company believes a shareholder to be ineligible under the SPP.

The Company reserves the right to return cheques, bank drafts or Application Forms or refund BPAY[®] payments and not allot any shares.

12. By applying for the shares and providing payment of the application monies (**via BPAY[®], cheque or bank draft**) in **Australian Dollars**, each Eligible Shareholder:
 - a. agrees that once it has sent in its application or made a BPAY[®] payment, it cannot withdraw or cancel its application and its application is unconditional;
 - b. confirms it is an Eligible Shareholder and lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws;
 - c. certifies that the aggregate of the application monies for the ordinary shares the subject of the application and any other ordinary shares applied for by the shareholder under the SPP or any similar arrangement in the 12 months before the application does not exceed A\$10,000;
 - d. agrees to the Terms and Conditions set out here and in the Application Form and agrees not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
 - e. authorises the Company (and its officer or agents) to correct any error or omission in its Application Form and to complete the Application Form by inserting missing details if the Company elects to do so;
 - f. agrees that the Company may determine that an Application Form is valid and in accordance with the Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
 - g. agrees that the Company has a discretion whether or not to accept late BPAY[®] payments, Application Forms, cheques or bank drafts;
 - h. agrees that its acceptance is only effective when received by the Company and not when posted;
 - i. agrees that it is responsible for any dishonour fees or other costs which the Company may incur if the shareholder's cheque for payment is dishonoured;
 - j. agrees that the Company and the Registry have not provided it with investment or financial product advice, and that they have no obligation to provide shareholders with any advice about the decision to apply for and buy shares in the Company;
 - k. authorises Horizon Oil to place its name on the register of members in respect of the shares which are issued to the Eligible Shareholder under the SPP and agrees to be bound by the constitution of Horizon Oil; and
 - l. agrees that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

13. Applications to acquire new shares under the SPP must be made in one of the following two ways:
 - a. complete and return the Application Form which accompanies this Offer Document together with a cheque or bank draft for the correct amount. Do not forward cash. Application Forms and payment for new shares must be received by Horizon Oil's share registry no later than 5.00 pm AEST on 20 May 2009. Registries Limited postal address is GPO Box 3993, Sydney, NSW, 2001; or
 - b. submit a payment for new shares via BPAY[®]. If paying by BPAY[®], then a shareholder does not need to return the Application Form, however it will need the Customer Reference Number ("CRN") shown on the Application Form which is required to identify a holding. Payment must be received by 5.00 pm AEST on 20 May 2009. A shareholder must take into account the cut off times of the relevant financial institution in advance of this closing date and time. BPAY[®] is only available as a method of payment by using an Australian financial institution.

14. Applications, to be valid, must be received by Horizon Oil's share registry at the address shown on the application form prior to 5.00 pm AEST on 20 May 2009 ("Closing Date"). BPAY® payments must be received by Horizon Oil's share registry by the Closing Date. Applications or BPAY® payments received after that time may not be accepted, at the discretion of Horizon Oil. If the exact amount of application monies is not tendered with the application form, Horizon Oil reserves the right to reject the application. Applications and payments under the SPP may not be withdrawn once they have been received by Horizon Oil's share registry whether or not they are received prior to the Closing Date. Any excess application moneys will be refunded. No interest will be paid on any refunded application money

Single shareholders

15. If a person is the only registered holder of a holding of shares, but receives more than one offer under the SPP (due to multiple registered holdings), that person may only contribute a maximum of A\$10,000 in applying for shares.

Joint shareholders; Nominee / trustee shareholders

16. If two or more persons are recorded in the register of members as jointly holding shares in Horizon Oil they are taken to be a single registered holder and a certification by any of them pursuant to paragraph 7(a) is taken to be a certification by all of them. If as joint holders, shareholders receive more than one offer under the SPP due to multiple identical holdings, they may only still contribute a maximum of A\$10,000 in applying for shares.
17. If on the Record Date a trustee or nominee is expressly noted on the register of members as holding shares or interests on account of another person (a "Beneficiary"):
 - a. the Beneficiary is taken to be the registered holder in regard to those shares;
 - b. any application for the issue of shares or certification for the purposes of paragraph 7(a) by, and any issue of shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary; and
 - c. that trustee or nominee may only apply for one maximum parcel of shares in respect of each Beneficiary.
18. If on the Record Date a trustee or nominee is not expressly noted on the register of members as holding shares or interests on account of a Beneficiary, the rules for multiple single holdings apply and a trustee or nominee may only apply for one maximum parcel of shares.
19. A trustee or nominee is not eligible to participate on behalf of a person who resides outside Australia and New Zealand.

Issue Price

20. The offer price per share under the SPP (the 'SPP Price') is A\$0.10 per share being a 23.4% discount to the volume weighted average price ("VWAP") of Horizon Oil's ordinary shares traded on ASX, calculated over the 5 day period on which sales were recorded before the day of the preliminary announcement of a proposed SPP on 8 April 2009.

Eligible Shareholders should note that there is a risk that the market price of Horizon Oil's ordinary shares may change between the date of this offer and the date when the shares are issued under the SPP. Any such movements in the share price may result in Eligible Shareholders paying an amount for shares under the SPP which is more or less than the current price of Horizon Oil's ordinary shares, irrespective of the discount which may apply.

Issue of Shares

21. Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in Horizon Oil on the date of issue. Horizon Oil will, at the appropriate time, make application for the shares allotted to be listed for quotation on the official list of ASX.
22. The shares are scheduled to be issued on or about 27 May 2009.
23. Should any fractional entitlements to shares arise as a result of the SPP, such entitlements will be rounded down to the nearest whole number of shares. Any remaining application monies will be paid to charities nominated by the Board of Horizon Oil.

Costs of Participation

24. No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of shares under, the SPP.

Scaleback

25. Horizon Oil may, in its absolute discretion, undertake a Scaleback to the extent and in the manner it sees fit. Any Scaleback will be announced on the Allotment Date.

If there is a Scaleback, a shareholder may not receive all of the shares for which it applied. Preference will be given to those Eligible Shareholders who were shareholders immediately prior to the announcement of the SPP, those who have not disposed of any of their shareholding in the period between the announcement of the SPP and the Allotment Date and any such other criteria as determined to be appropriate by the Board of the Company.

If Horizon Oil undertakes a Scaleback, the difference between the Allocation Amount (being the number of shares actually allotted multiplied by the Issue Price) and the Application Amount paid to Horizon Oil by the Applicant will be refunded by cheque and mailed to the Applicants registered address on the Dispatch Date.

No US Offer

26. If an Eligible Shareholder applies to participate in the SPP, it acknowledges and agrees that:
 - a. the shares have not, and will not be, registered under the US Securities Act of 1933 as amended ("US Securities Act") or the securities laws or any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and New Zealand;
 - b. the shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act or any other applicable securities laws;
 - c. it must not send copies of the SPP Terms and Conditions or any other material relating to the SPP to any other person in the United States or who is, or is acting for the account or benefit of, a US person;
 - d. it must not submit an Application Form or make payment by BPAY[®] for any person resident in the United States or who is acting for the account or benefit of a US person; and
 - e. if it does not comply with these restrictions, it may result in violations of applicable securities laws.

Generally

27. Horizon Oil may determine, in any manner it thinks fit, any disputes or anomalies which arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for shares. The decision of Horizon Oil will be

conclusive and binding on all persons to whom the determination relates. These rights may be exercised by the Company's Board or any delegate of the Board.

28. Horizon Oil reserves the right to:
 - a. waive compliance with any provision of these Terms and Conditions;
 - b. amend or vary these Terms and Conditions (including the Key Dates) at any time;
 - c. withdraw the offer at any time up to the Allotment Date; and
 - d. suspend or terminate the SPP.Any variation in these Terms and Conditions will be notified by a release to the ASX.
29. Horizon Oil may at any time irrevocably determine that an application is valid, in accordance with these Terms and Conditions, even if the application form is incomplete, contains errors or is otherwise defective. Horizon Oil and its officers and agents are authorised to correct any errors in, or omission from, an application form by the insertion of any missing details.
30. Horizon Oil makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax in respect of any allotment or issue of Shares, payment or other transaction pursuant to this SPP.
31. This offer is governed by the law in force in New South Wales. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales.

Entitlement No:	
Record Date:	20 April 2009
Close Date:	20 May 2009
Issue Price	A\$0.10 per share

A Offer Choice

Indicate your choice below by marking one box only

Offer A
100,000 shares
A\$10,000.00

Offer B
75,000 shares
A\$7,500.00

Offer C
50,000 shares
A\$5,000.00

Offer D
25,000 shares
A\$2,500.00

B Payment Details

Payment may only be made by BPAY, cheque or bank draft. Cash will not be accepted via the mail or at the Horizon Oil Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: 18671

Ref: XXXXXXXX

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for. For your application to be valid you can only make payment for one of the amounts specified above in section A.

Payment Option 2 - Cheque

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **Horizon Oil Limited and crossed Not Negotiable**.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

D Declarations and Acknowledgments

General

By lodging this form with your cheque you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Horizon Oil Limited Share Purchase Plan ('SPP'). Horizon Oil Limited may determine in any manner it thinks fit, any disputes or anomalies which arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application of shares. The decision of Horizon Oil Limited will be conclusive and binding on all persons to whom the determination relates. These rights may be exercised by Horizon Oil Limited's Board or any delegate of the Board. Horizon Oil Limited reserves the right to waive compliance with any provision of the SPP terms and conditions, amend or vary the SPP terms and conditions (including key dates) at any time, withdraw the offer of shares under the SPP at any time up to the Allotment Date, and suspend or terminate the SPP. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

Capitalised terms used but not defined in this form have the meanings given in the SPP Terms and Conditions.

Maximum participation

The maximum value of A\$10,000¹ will apply even if a shareholder receives more than one offer from Horizon Oil (for example as a result of holding more than one shareholding under separate share accounts) and irrespective of the number of shares a shareholder holds on the Record Date. Horizon Oil Limited can reject any application for shares if it believes a shareholder has not complied with this condition.

Priority

In the event that the amount raised under the SPP exceeds an amount considered appropriate by the Directors, Horizon Oil may in its absolute discretion undertake a Scaleback. Under the SPP terms and conditions, if there is a Scaleback, a shareholder may not receive all of the shares for which it applied. In addition, any Scaleback will give preference to those Eligible Shareholders who were shareholders immediately prior to the announcement of the SPP, those who have not disposed of any of their shareholding in the period between the announcement of the SPP and the Allotment date and any such other criteria as determined to be appropriate by the Board of Horizon Oil Limited.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Application Forms and cheques must be received no later than 5.00 pm (AEST) on 20 May 2009 at:

MAILING ADDRESS

Registries Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS

Registries Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.

¹ ASIC and the ASX have granted relevant waivers to allow the Company to issue up to A\$10,000 of new ordinary shares to each Eligible Shareholder at an issue price of A\$0.10 under the SPP.