

12 March 2020

The Manager
Company Announcements
ASX Limited
Exchange Centre

20 Bridge Street
Sydney NSW 2000

OIL PRICE VOLATILITY UPDATE

Horizon Oil is well placed to manage its way through the current volatile oil price environment.

KEY POINTS

- Horizon Oil has a strong hedge position to mitigate against short term oil price volatility. It has 270,000 bbls of oil swaps covering the 6-month period to June 2020 at a weighted average price of US\$68.35/bbl, net of credit charges. Based on lifting timings, March 2020 forecast oil sales are approx. 80% hedged at over US\$69/bbl.
- The balance sheet continues to strengthen and the company remains on track to be in a net cash position by 30 June 2020.
- There is continued strong free cashflow generation - with cash operating costs over recent months remaining below US\$20/bbl produced.
- Cash on hand is currently in excess of US\$25 million.
- Horizon Oil's debt facility is currently drawn to US\$29.4 million with the next scheduled debt repayment of US\$3.8 million not due until 31 December 2020.
- The company has limited near-term capital commitments, with all existing commitments for calendar year 2020, expected to be covered by current free cash flow generation.

HORIZON OIL'S CHIEF EXECUTIVE OFFICER, CHRIS HODGE, COMMENTED:

"Horizon Oil is fortunate to hold low cost, high margin production assets. When coupled with its robust balance sheet and favourable hedge position, it is well placed to manage the recent downturn in oil prices. With continued strong free cashflow generation, even at these low oil prices, the Company remains well positioned to pursue growth opportunities."

Authorisation

This ASX announcement is approved and authorised for release by the Company Secretary.