

2 September 2013

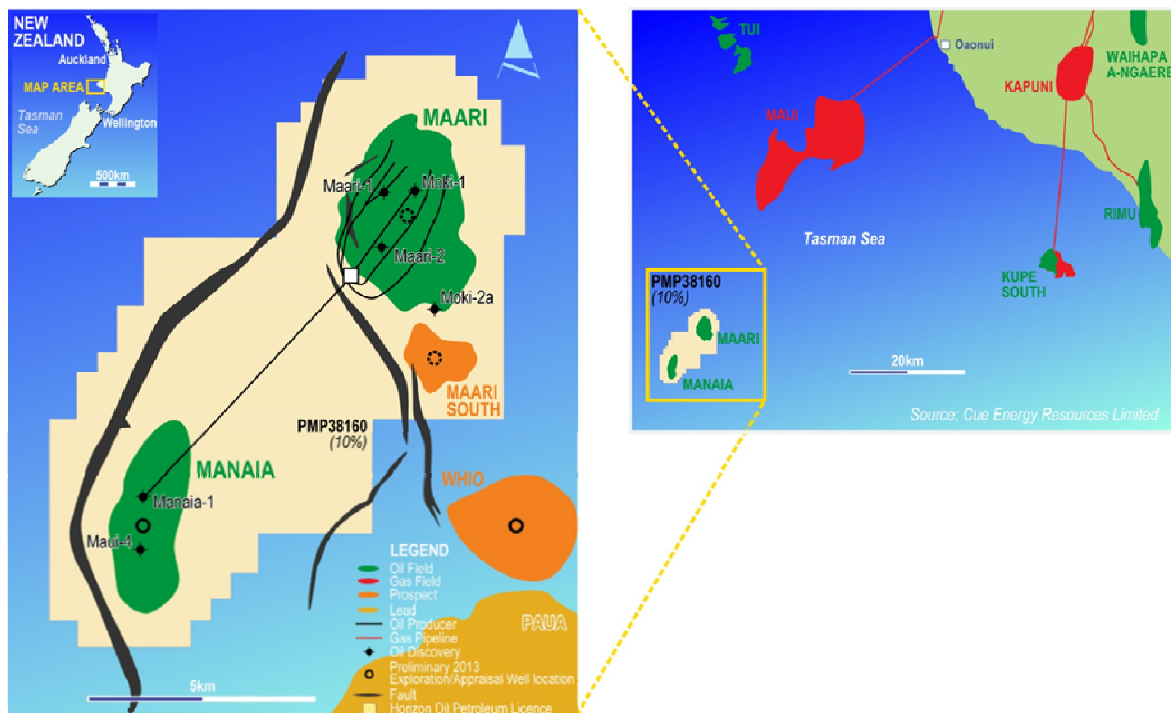
The Manager, Company Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

HORIZON OIL (HZN) ADVISES SPUD OF MANAIA-2 EXPLORATION/APPRaisal WELL IN PMP 38160, OFFSHORE NEW ZEALAND

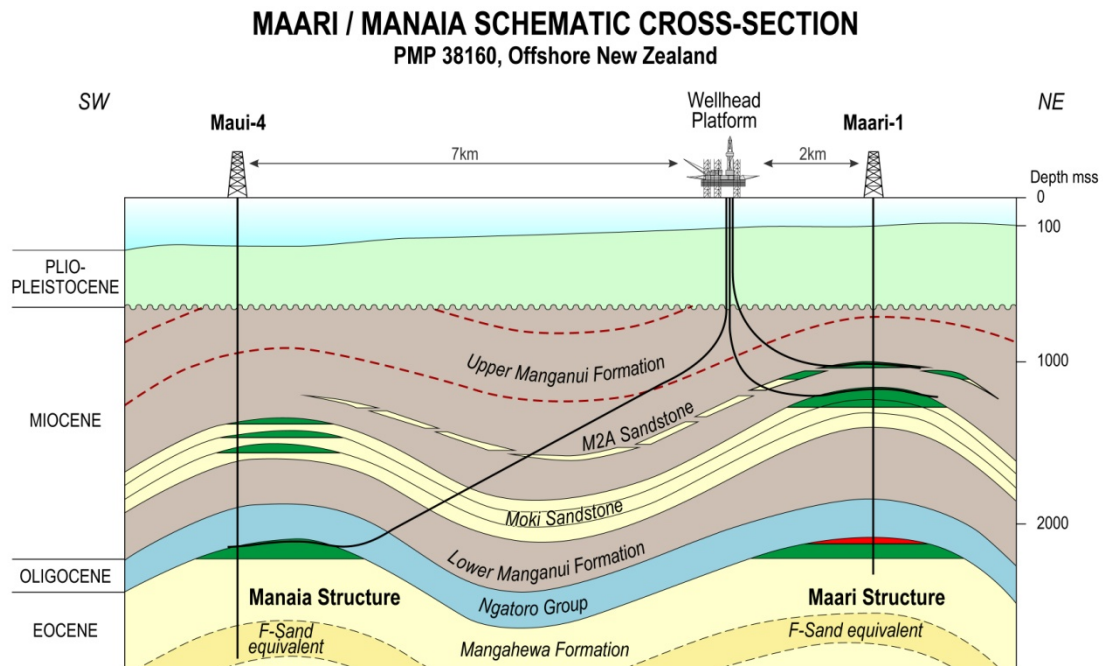
Horizon Oil advises that the Manaia-2 exploration/appraisal well in PMP 38160, offshore New Zealand, spudded at 1930 hrs local time on 1 September 2013.

The well is being operated by OMV New Zealand Ltd and drilled with the semi-submersible drilling rig *Kan Tan IV*. Manaia-2 is the first well of a one year, multi-well drilling campaign to be drilled in New Zealand waters with the *Kan Tan IV*. In early 2014, the rig will return to PEP 51313 to drill the OMV-operated Whio-1 well approximately 4 km from Maari field. Horizon Oil has a 21% interest in PEP 51313.

Manaia-2 is located 1.2 km north of Maui-4 (which discovered the Manaia field - see map below) and about 6 km to the southwest of the Maari wellhead platform. The well has a planned total depth of 2,860 m and drilling is expected to take 30 days.



With reference to the schematic cross-section below, the objective of the well is to evaluate the undeveloped Moki formation and F-sand reservoirs in a crestal position up-dip of the Maui-4 well. The well will also appraise the producing Mangahewa formation reservoir in preparation for further development of this zone.



Participating interests in PMP 38160 are as follows:-

Horizon Oil International Ltd	10%
Cue Taranaki Pty Ltd	5%
Todd Maari Ltd	16%
OMV New Zealand Ltd	69% (Operator)

Yours faithfully,

Michael Sheridan
Chief Financial Officer/Company Secretary



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