

5 July 2018

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

NOTICES RECEIVED FROM PETROLEUM MINISTER OF PAPUA NEW GUINEA

As advised on 2 May 2018, the PDL 10 joint venturers received a notice of intention to cancel Petroleum Development Licence No. 10 (**PDL 10**) and Pipeline Licence 10 (**PL 10**). The Petroleum Minister subsequently convened a meeting of the PDL 10 joint venture participants to review the progress of development planning on PDL 10. At the meeting, the Minister committed to take no action with respect to the licences before 1 October 2018 until such time as the participants had further presented to him on the status of development planning for PDL 10 and the broader Western Province gas aggregation scheme.

On 4 July 2018, Spanish global energy company Repsol, operator of PDL 10, received further notices of intent to cancel PDL 10 and PL 10 and a notice to terminate the Stanley Gas Agreement for PDL 10 on 4 January 2019 (together, the **Purported Notices**). The Minister has invited the participants to show cause by 25 July 2018 as to why the licences should not be cancelled.

Horizon Oil has formed the view that each of the Purported Notices is without merit. Further, and similar to the earlier notices, Horizon Oil has formed the view that the notices of intention to cancel the licences are procedurally invalid.

Horizon Oil intends, together with Repsol and the other PDL 10 joint venture participants, to continue to work with the Petroleum Minister and the Department of Petroleum and Energy to resolve any misunderstanding with respect to the good standing of PDL 10, PL 10 and the Stanley Gas Agreement, but without compromise to its legal rights.



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