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15 December 2025

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

LETTER OF INTENT FOR ACCELERATED DRILLING OF TWO WELLS AT MEREENIE AND LONG-TERM GAS SUPPLY

Horizon Oil Limited (**ASX: HZN**) and its Mereenie Joint Venture partners (collectively “**JVs**”) have entered into a binding Letter of Intent (“**LOI**”) with the Northern Territory’s Power and Water Corporation (“**PWC**”) to:

- support the immediate commencement of early works for an accelerated drilling program for two new wells; and
- promptly document and execute gas supply agreements consistent with conditional gas supply term sheets that will see uncontracted firm gas production from Mereenie sold through to 2034.

Drilling Program Early Works

The JVs will immediately begin early works for a two-well drilling program. This includes activities such as ordering long-lead items, progressing civil works, and selecting a drilling rig, with drilling targeted to commence in mid-2026.

Gas Supply Arrangements

The JVs and PWC have finalised ‘in-principle’ terms for long-term, firm gas supply under term sheets covering uncontracted firm gas production from the Mereenie through to 2034, including additional production from the two-well program. The gas supply term sheets are non-binding and conditional, requiring final internal approvals from each JV participant and PWC.

The intention is for the parties to formalise and execute binding Gas Sale Agreements (“**GSAs**”), consistent with these term sheets, by 20 February 2026. Arrangements have been agreed under the LOI where the JVs can be reimbursed by PWC for costs associated with the drilling program’s early works in the event binding GSAs are not executed by 20 February 2026.

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Project Readiness

The intended supply arrangements are designed to quickly deliver significant new gas volumes to the Northern Territory, while also enhancing gas supply security for customers throughout the region.

Preparations for the new wells are already well-advanced, with key approvals in place or underway. By initiating the drilling program's early works now, the JVs can target mid-2026 for the commencement of drilling. The additional gas production can be quickly supplied to the market after drilling, as the wells will utilise available production capacity at the existing Mereenie gas field.

Horizon has a 25% interest in the Mereenie field, along with other Mereenie JV participants [Central Petroleum Limited, Echelon Mereenie Pty Limited, Horizon Australia Energy Pty Ltd, and Cue Mereenie Pty Ltd].

Horizon's CEO Richard Beament commented:

This Letter of Intent with PWC marks a major step in unlocking additional, reliable gas supply for the Northern Territory and increasing gas supply from the Amadeus Basin. By commencing early works now and targeting drilling in mid-2026, we can bring new Mereenie volumes to market quickly, using existing field capacity. Formalising long-term GSAs consistent with the in-principle term sheets will underpin supply through to 2034, supporting the NT's gas demand from the middle of next year.

We look forward to progressing this program with our JV partners and delivering ongoing secure energy for the Northern Territory.

Authorisation

This ASX announcement is approved and authorised for release by the Company Secretary on 15 December 2025.

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