



HORIZON OIL LIMITED

(ABN: 51 009 799 455)

**SHAREHOLDERS COMMUNICATION
GUIDELINES POLICY**

1 Introduction - "respect the rights of shareholders"

These guidelines are to assist Horizon Oil Limited ("Horizon Oil") to develop policies and procedures to improve Horizon Oil's communications with its shareholders.

2 Shareholder communications strategy

2.1 Purpose

These guidelines are designed to establish a policy for communicating with shareholders:

- using Horizon Oil's website to promote and to facilitate shareholder communications; and
- improving shareholder participation in meetings by use of technology and considering Corporate Governance Council guidelines for meetings and notices.

2.2 Developing good communication practices

To improve shareholder communication Horizon Oil has determined to do the following:

- Appoint an officer to deal with shareholder enquiries via the website.
- Use e-mail to provide investor updates.
- Increased use of e-mail to respond to shareholder queries and concerns.
- Post a 'contact us' web link designed for shareholders on the website.
- Send notices of meetings to shareholders by electronic means if requested, and place the full text of notices and accompanying explanatory material on Horizon Oil website.
- Encourage shareholders to request that notices of meeting be sent to them by electronic means on an opt-in basis. (Shareholders must be able to change election at any time and have the right to request a paper version of the document that has been sent electronically.)
- Allow for proxies to be sent in electronically.
- Allow shareholders to electronically submit general meeting questions before the meeting.
- Companies are required by the Listing Rules to release full notice documentation to the ASX Companies Announcements Office. In addition, Horizon Oil should place this material on its website in a prominent and accessible position to shareholders and other market participants who may be considering an investment in Horizon Oil. Alternatively, the notice of meeting can refer to the ability to download the notice from the ASX website.
- Ensure all information is released on Horizon Oil website promptly after release to ASX.
- Allow for shareholders to sign up to receive all ASX releases via e-mail.
- Provide information about previous press releases/announcements and financial data on the website for a period no less than the immediately preceding 12-month period.
- Post the shareholder communication policy on the website.
- Refer to the new procedures implemented in the annual report.
- Ensure that the disclosure Committee oversees the quality and quantity of information made accessible to shareholders.

2.3 Information to be posted on the website

As most shareholders will have access to Horizon Oil's website, Horizon Oil has developed a specific investor centre on the website. Information that is posted on the investor page includes:

- share price
- company announcements
- a facility through which shareholders can subscribe for announcements
- hyper link to share registry
- annual reports

- annual general meeting information:
 - notice of meeting
 - chairman's business address
 - chief executive officer's business address
 - resolution results
 - presentation material
- latest presentation and analysts reports

3 Shareholder communication policy

It is vital the Horizon Oil keep its shareholders informed of its activities, its financial status and its forward strategy. Horizon Oil should communicate effectively with shareholders and make all company information understandable and accessible.

Horizon Oil is firmly committed to encouraging and facilitating shareholder communication with Horizon Oil and will do its utmost to ensure this is made as simple and effective as possible for shareholders.

The Board aims to ensure that shareholders are kept informed of all major developments affecting Horizon Oil. Examples of ways in which information is communicated to shareholders are:

- through the distribution of the annual and half yearly reports via Horizon Oil's website;
- releases made to ASX by Horizon Oil throughout the year with respect to changes in the business, future developments, and other pertinent issues; and
- the chairman's address delivered at the annual general meeting.

4 Annual general meetings

Shareholders at the annual general meeting are encouraged to ask both Horizon Oil and its auditor questions¹ regarding Horizon Oil's governance and business. Questions can be submitted electronically before the meeting by following the links on Horizon Oil's website.

In addition, the chairman's address to the annual general meeting, a transcript of the meeting and copies of overheads and power point presentations used, are available on the website immediately after the annual general meeting.

5 Annual report

Horizon Oil believes it is important to provide effective communication to its shareholders. Horizon Oil's annual report is the main vehicle for communicating activities and performance for the previous 12 months. The annual report is posted on Horizon Oil's website and can be downloaded.

6 Continuous disclosure

Horizon Oil's disclosure policy and practices are aimed at ensuring timely access for all investors to company information released under the continuous disclosure rules.

These practices include:

¹ Corporate Governance Principles and Recommendations 3RD edition, Recommendation 4.3

- information released by Horizon Oil, including media releases and investor briefing materials, is first released to ASX; and
- such information is posted on Horizon Oil's website immediately following release to ASX.

Horizon Oil's senior management meets regularly to consider its continuous disclosure obligations.

Unless Horizon Oil considers it has an obligation to make a statement on a particular matter, Horizon Oil's policy is not to respond to market rumours and media speculation.

Horizon Oil also produces shareholder updates on e-mail service, which notify shareholders electronically of all ASX announcements, press releases and significant events. Regular media and ASX announcements and external presentations in relation to performance and business activities are also posted on the website.