

ANTI-CORRUPTION AND BRIBERY POLICY

Horizon Oil Limited (“**Horizon**”) is committed to the highest standards of ethical conduct and integrity in all business activities both in the Australia and overseas. As such Horizon is responsible for implementing effective measures to prevent, monitor and eliminate bribery. As a company, Horizon has a zero tolerance approach to any form of bribery or corruption and will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates.

This policy sets out the responsibilities of all staff throughout Horizon to ensure that bribery does not take place within the organisation and provides information and guidance on how to recognise and deal with bribery and corruption issues.

Throughout this Policy a reference to “**Employee**” refers to all those who work for, act on behalf of or represent Horizon. This includes directors, officers, employees as well as contractors, or consultants, advisers, seconded staff and third parties acting on behalf of or representing Horizon.

In this policy, third party means any individual or organisation an Employee comes into contact with during the course of his or her work for Horizon, and includes actual and potential contractors, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

All Employees are required to read, understand and comply with this policy and must avoid any activity that might lead to, or suggest, a breach of this policy.

DEFINITION

A bribe is a financial or other type of advantage that is offered or requested within the course of employment or contract for services with the:

- (a) intention of inducing or rewarding improper activity/performance; and/or
- (b) knowledge or belief that accepting such a reward would constitute improper activity / performance.

EXAMPLES

Offering a bribe

An Employee offers to purchase lunch or a phone card for a service provider, but only if they agree to prioritise Horizon’s work.

This would be a bribe as the Employee is making the offer to gain a commercial and contractual advantage and the offer has been made as an inducement to prioritise Horizon’s work.

Receiving a bribe

A supplier gives an Employee’s nephew a job, but makes it clear that in return they expect the Employee to use its influence in Horizon’s organisation to ensure Horizon continues to do business with them.

It is a bribe for a supplier to make such an offer. It is against this policy if the Employee accepts the offer as the Employee would be doing so to gain a personal advantage.

Bribing a foreign official

An Employee arranges for Horizon to pay an additional payment to a foreign official to speed up an administrative process, such as obtaining a licence or permit.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for Horizon. Horizon may also be found to have committed an offence.

CORPORATE ENTERTAINMENT, GIFTS, HOSPITALITY AND PROMOTIONAL EXPENDITURE

Horizon only permits corporate entertainment, gifts, hospitality and promotional expenditure that are undertaken:

- (a) for the purpose of establishing or maintaining good business relationships; or
- (b) to improve the image and reputation of Horizon;

Provided that:

- (c) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- (d) it complies with local law;
- (e) it is given in Horizon's name, not in the Employee's name;
- (f) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (g) it is appropriate in the circumstances. For example, in the Australia it is customary for small gifts to be given at Christmas time;
- (h) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- (i) it is given openly, not secretly; and
- (j) gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of Horizon's Chief Executive Officer.

Horizon will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure. Expenditure should be at a reasonable level in accordance with the position of the employee and the status of the third party.

Procedure:

Employees and associated persons should submit requests for proposed entertainment, gifts, hospitality and promotional expenditure well in advance of proposed dates to their line manager.

Employees are required to set out in writing:

- (a) the objective of the proposed entertainment or expenditure;
- (b) the identity of those who will be attending; and
- (c) the organisation(s) that those attending represent.

Employees and members of their immediate families shall not accept, directly or indirectly, any service, payment, loan, discount (except those offered to all employees in general), entertainment

or travel (except when it is customary and of nominal value), vacation or pleasure trip, gift (other than one of nominal value which is customarily offered), or gift of money in any amount from contractors and suppliers of materials or services. Any such gift offered, or attempt made to offer, must be reported to their line manager immediately.

RECORDS

All Employees are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered. All Employees are required to take particular care to ensure that all records are accurately maintained in relation to any contracts or business activities of or concerning Horizon, including all payment transactions.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as contractors, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts are permitted to be kept "off-book".

WHAT IS NOT ACCEPTABLE

It is not acceptable for an Employee (or someone on its behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (c) accept payment from a third party that it knows or suspects is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if it knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by Horizon in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery action or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

FACILITATION PAYMENTS AND KICKBACKS

Horizon does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. Kickbacks are typically payments made in return for a business favour or advantage. These are not commonly paid in Australia but are common in some other jurisdictions in which Horizon operates.

All Employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by Horizon.

POLITICAL CONTRIBUTIONS

Horizon does not make contributions to political parties. No contribution must be offered or made without the prior approval of the Chief Executive Officer.

CHARITABLE DONATIONS

Horizon only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the Chief Executive Officer.

REPORTING SUSPECTED BRIBERY OR OTHER UNLAWFUL ACTIVITY

All Employees are required to cooperate with Horizon's risk management procedures and to report suspicions of bribery to any of the following persons: Chief Executive Officer; Chief Financial Officer; General Manager, Production & Development; or Corporate Counsel (Senior Managers).

All Employees must notify any Senior Manager as soon as possible if they believe or suspect ANY breach of this policy, including:

- any suspected or actual attempts at bribery;
- any concerns that other employees or associated persons may be being bribed;
- any concerns that other employees or associated persons may be bribing others; or
- any gifts, rewards or entertainment received or offered which is not in accordance with this policy.

An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue

any concern, even by a person in authority such as a manager, Employees should not agree to and must not remain silent. They must report the matter to a Senior Manager of Horizon.

PROTECTION

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Horizon aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

Horizon is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

ACTION BY HORIZON

Horizon will fully investigate any instances of alleged or suspected bribery and Employees suspected of bribery may be suspended from their duties while the investigation is being carried out.

Horizon will invoke its disciplinary procedures where any employee is suspected of bribery or any other breach of this policy, and proven allegations may result in a finding of gross misconduct and immediate dismissal.

Horizon may terminate the contracts of any associated persons, including contractors or consultants or other Employees who act for, or on behalf of, Horizon who are found to have breached this policy.

Horizon may also report any matter to the relevant authorities. Horizon will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

Horizon reserves the right to amend and update this policy as required.