

HORIZON

2025 SUSTAINABILITY REPORT



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We work hard to achieve the right balance between community expectations, responsibility to our shareholders and our important role in helping to deliver a smooth global energy transition.

Mereenie gas field,
Northern Territory, Australia

1. Message from our Chairman and CEO

Sustainability remains a core focus for Horizon, with the business delivering meaningful progress across key elements of our Environmental, Social and Governance (ESG) Action Plan.

During the year, we completed a comprehensive double materiality assessment, aligned with international best practice, which considered both sustainability-related and financial risks and opportunities. The process was grounded in meaningful engagement with internal and external stakeholders and has identified a set of priority one material topics that will shape our future ESG strategy and reporting. We also maintained strong safety performance across the group, with health and safety metrics remaining better than National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) benchmarks despite a busy year of infill drilling, workovers, and operational activities.

Production from the Mereenie field increased materially following the successful implementation of the WM29 and WM30 development wells, contributing to a 15% uplift in total group production compared to the prior year. The additional gas volumes are being sold under recently executed gas sales agreements (GSAs) with the Northern Territory Government, ensuring a steady supply of gas for the region. This is critical for supporting local industries and communities and maintaining energy security across the Territory.

In March 2025 Horizon executed a share sale and purchase agreement through our wholly owned subsidiary, Horizon Thailand Investments Pty Limited, to acquire interests in two producing gas fields in Thailand; a 7.5% working interest in the E5N and EU1 development licences and a 60% interest in the E5 licence. These licences include the producing Sinphuhorm and Nam Phong gas fields, with gas sold under long-term contracts for electricity generation via a regional power station. These are Horizon's first producing assets in Thailand and represent a meaningful step in supporting the country's energy transition objectives through the delivery of reliable, lower-emission energy. The transaction was completed in August 2025, subsequent to the end of the FY25 reporting period following the satisfaction of customary completion conditions.

Community engagement continued to be an important area of focus during FY25. The two Maari joint venture (JV) sponsored projects, the Waverley pump track and the Patea jetty were opened for community use, delivering tangible local benefits. We also made material progress on our Maari emissions reduction initiative, with key equipment now ordered, reflecting our continued commitment to managing operational emissions.

Internally, we continued to support our team through a range of initiatives, including flexible work arrangements and assistance with electric vehicle purchases. In FY25, we also launched a new Employee Assistance Program (EAP), providing employees and consultants with access to free, confidential mental health counselling and a wide range of wellbeing resources.

Our Board and employees remain fully engaged with Horizon's sustainability journey, working to ensure that our efforts are meaningful to our business, aligned with community expectations, and supportive of our broader responsibility to shareholders and the global energy transition.

Bruce Clement,
Chairman

Richard Beament,
CEO

2. About this Report

This Sustainability Report, endorsed by Horizon Oil Limited's (Horizon or the Company) Board, outlines the Company's performance against our prioritised environmental, social and governance (ESG) topics over the 1 July 2024 to 30 June 2025 reporting period.

Horizon's climate-related disclosures continue to be guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), with a summary of our progress against these recommendations provided on page 34 of the report. While Horizon does not formally report under the TCFD standard, we continue to apply the National Greenhouse and Energy Reporting (NGER) methodology to estimate greenhouse gas (GHG) emissions across our portfolio with the exception of the Maari asset, where emissions are calculated in accordance with New Zealand's Climate Change Regulations.

During FY25, Horizon produced oil and gas from three key locations: the Beibu Gulf, China, with oil sold into the Chinese domestic market; the Taranaki Basin, New Zealand, with oil primarily sold into the Australian market; and the Mereenie oil and gas field, located in Australia's Northern Territory, with products sold to the domestic market. The Mereenie asset was successfully integrated into the Horizon portfolio in June 2024 following completion of the acquisition, and is forecast to be economic well into the 2040s, with an existing licence in place until 2044. Horizon participates in these operations through Joint Venture (JV) agreements, with the assets operated by CNQOC Weizhou Operating Company for Block 22/12, OMV New Zealand for Maari (PMP38160), and Central Petroleum for Mereenie (OL4 & OL5). Asset-related ESG targets and metrics for Beibu, Maari and Mereenie are based on Horizon's equity position, and FY25 GHG emissions reporting now includes the Mereenie asset.

In August 2025, Horizon also completed the acquisition of an effective 7.5% interest in the Sinphuhorm oil and gas field and an effective 60% interest in the Nam Phong gas field, both onshore located in North East Thailand. Whilst the transaction had an effective date of 1 January 2025, since the effective change of control occurred after the close of FY25, ESG metrics for the Thai assets are not included in this report. These will be incorporated in future sustainability reports.

Horizon has full operational control of the Head Office in Sydney but no day-to-day operational control over the producing assets.



Horizon continues to monitor Australia's climate-related financial disclosure framework following the enactment of the *Climate-related Financial Disclosures Reporting Legislation Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024*, which received Royal Assent in September 2024. The Australian Accounting Standards Board (AASB) has introduced sustainability reporting standards aligned with international frameworks, effective for Group 1 entities from January 2025. As a Group 3 reporting entity, Horizon's mandatory compliance will commence for the reporting period beginning 1 July 2027. Horizon is actively preparing for this upcoming requirement and will assess any implications for future disclosures as further guidance is issued.

This Sustainability Report remains structured around Horizon's current ESG Priority Areas of Health, Safety and Environment, Governance, Our People and Communities, and Climate Change. These are aligned to the relevant United Nations Sustainable Development Goals (UN SDGs). Horizon's ESG strategy and future reporting will be updated to reflect the priority topics identified in the FY25 materiality assessment.

This report has not been externally assured.

Horizon welcomes your feedback on this report via info@horizonoil.com.au.

3. FY25 ESG Highlights

Health, Safety and Environment



- Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) results continued to be better than the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) benchmark
- Completed the 10-year inspection and overhaul of the Maari workover unit, with elevated onshore/offshore activities and sailings, without any accidents
- Incident free infill well drilling and workover campaign at WZ12-8W and WZ6-12 in Beibu
- Safe execution of a major turnaround for the Mereenie facilities

Our People and Communities



- Maintained flexible work arrangements, which have proven to significantly enhance employee productivity and morale
- New initiative to provide employees and consultants free access to a comprehensive Employee Assistance Program (EAP), including confidential mental health counselling and a range of wellbeing resources
- Two community projects sponsored by the Maari JV were completed in New Zealand
- Mereenie indigenous apprenticeship program and JV sponsorship of various community projects, sporting teams and education initiatives

Governance



- Board oversight for the acquisition of Sinphuhorm and Nam Phong onshore gas fields in Thailand
- Changes in Board composition further enriched Board expertise in achieving Horizon's strategic goals
- Conducted a comprehensive double materiality assessment with extensive internal and external stakeholder engagement; prioritised material topics identified across assets including Mereenie

Climate Change



- Maari production optimisation workshop to identify opportunities for potential energy efficiency and emissions reduction
- Long lead item ordered for the vapour recovery unit to reduce flaring in Maari
- Continued field monitoring and remedial leak source repairs at the Mereenie site

4.Horizon's Priority Areas and the UN SDGs

Our Sustainability Vision

Throughout FY25, Horizon's sustainability vision remained unchanged, and it continues to guide the way the Company manages operations and assets. This vision is embedded in our approach to responsible energy production, placing a strong focus on health and safety, environmental performance, and community engagement. Sustainability is not treated as a standalone initiative but as a core principle influencing decisions across the business.

We have a role to play in the World's energy transition, and we are committed to making the right kind of impact; through excellence in health and safety, reducing our emissions, and enhancing the communities where we operate.

The ESG topics identified through Horizon's previous materiality assessment remained relevant throughout FY25. These topics continued to underpin Horizon's four ESG priority areas, and performance was assessed against defined goals and targets aligned with each area. This framework provided a consistent basis for Horizon to track progress and effectively communicate outcomes during the FY25 reporting period.

Priority Areas	Our Commitment	SUSTAINABLE DEVELOPMENT GOALS
Health, Safety and Environment	Horizon's first priority is the health and safety of our workforce and communities, and the protection of the environment in which we operate. We work closely with our operators in China, New Zealand and Australia to maintain asset integrity and have in place appropriate workplace management systems that reflect our high expectations for health, safety and environmental performance. Horizon actively oversees our operators' programs to maintain focus on safety and environmental protection.	  
Governance	Horizon is committed to making the right kind of impact and applying best practice consistently to what we do, whether in-country or in our overseas operations, such as China and New Zealand. We promote and are committed to a high standard of integrity, ethical and transparent behaviour in business.	 
Our People and Communities	Our employees will deliver Horizon's future and so we want our employees to be proud to work for Horizon. Horizon recognises that we must empower employees and promote diversity so that our people can achieve their personal best. We also acknowledge the communities that we work in, and that our social licence comes from investing in our communities.	 
Climate Change	Horizon recognises the responsibility and role it has to play to advance clean, affordable energy for all by 2030 and reach net zero emissions by 2050. Horizon is committed and focused on supporting our operators in emissions reduction initiatives. Horizon is using the TCFD recommendations to guide our disclosures and is monitoring the requirements to implement AASB and/or ISSB standards in the jurisdictions where we operate.	 

FY25 Materiality Topics and Priority Areas

Materiality: Horizon's key material environmental, social and governance issues arising from our operations



Completion of new materiality assessment for FY26

In FY25, Horizon completed a comprehensive double materiality assessment, incorporating the Company's expanded asset base, including the Mereenie oil and gas field acquired in June 2024. The assessment evaluated potential topics based on both impact materiality (i.e. the actual and potential effects of Horizon's activities on the environment and society) and financial materiality (assessing how sustainability risks and opportunities may influence the Company's financial position and long-term value). Extensive stakeholder engagement informed the process, including interviews and surveys with internal personnel, JV partners, and external stakeholders. Both qualitative and quantitative data were used, supported by a structured impact assessment methodology. The results of this review will shape Horizon's future material topics and focus areas, with the newly identified material topics to be embedded into the Company's sustainability strategy through clear goals, targets, and performance indicators, to be reported on from FY26 onward.

5.Our Stakeholders

Horizon is dedicated to creating a positive and meaningful impact by collaborating closely with our operators, JV partners, and other key stakeholders.

Stakeholders	Engagement
Joint Venture	Horizon is a non-operating JV participant in its oil and gas fields in China, New Zealand and Australia. We pro-actively engage with our operators and attend regular commercial and technical meetings.
Investor Community	As an ASX public listed company, Horizon regularly communicates with its shareholders through market announcements, periodic reporting, webcasts and meetings.
Banks/ Financiers	Horizon has a Finance Facility which matures at the end of FY29, and maintains ongoing relationships with institutions and banks for hedging lines and other financing needs.
Public/ Communities	We benchmark the health and safety performance of our non-operated operations against the Australian NOPSEMA benchmark. We provide employment opportunities and strive to make a positive impact in the communities where we operate. Our climate-related financial disclosures, which align with the TCFD recommendations, are driven by Australian corporate governance recommendations.

Stakeholders	Engagement
Regulators	Horizon is an Australian company and complies with Australian corporate laws and corporate governance principles. We publish a Corporate Governance Statement each year against the recommendations in the ASX Corporate Governance Principles. We annually published our Modern Slavery Statement in accordance with the <i>Modern Slavery Act 2018</i> .
Employees	Horizon continues to engage with staff to implement the company's ESG Action Plan, which is a live document undergoing regular reviews and updates with new actions added where required. The Sustainability Steering Committee (SSC) has established regular internal communications to share Horizon's ESG goals and the path to achieving these goals. Horizon's commitment to working towards the UN SDGs is communicated to all staff including contractors and consultants.
Contractors and consultants	Horizon expects our contractors and consultants working on our joint venture operations to share our commitment to the highest ethical standards and operate in compliance with applicable laws, rules and regulations, including anti-bribery and anti-corruption laws.
Vendors and suppliers	Horizon regularly engages with vendors and suppliers to support the operation and function of our corporate office in Sydney. Horizon supports buying goods and services locally where possible and encourages our Joint Venture operators to do the same.



6.FY25 ESG Performance Overview & FY26 Outlook

The table below summarises our performance against FY25 targets.

● Target met
 ● Target partially met
 ● Target not met

	FY25 Target	FY25 Performance
Health, Safety and Environment	1. Achieve zero fatalities.	● Achieved, page 11.
	2. Achieve a TRIFR less than the NOPSEMA industry average for the reporting period.	● Achieved, page 11.
	3. Achieve a LTIFR less than the NOPSEMA industry average for the reporting period.	● Achieved, page 11.
	4. Achieve zero material or reportable environmental incidents.	● Achieved, page 12.
	5. Zero spills to the environment.	● A small offshore spill (10 litres) during a well work over in July 2024.
Governance	1. Conduct a full Materiality review in FY25.	● Achieved, full materiality assessment conducted, priority topics mapping prepared and priority one material topics identified.
Our People and Communities	1. At least 20% women employees in senior executive roles through any future recruitment initiatives.	● No new management position appointments in the past year.
	2. 30% women directors on the Board.	● Changes in Board composition in the past year will result in the maintenance of the number of women directors on the Board at 1 in 6 (16.7%). It is noted that at the end of FY25, there were 2 women directors on the board – 2 in 7 (28.6%), however this is only intended for an interim period prior to Ms Sandra Birkenleigh's planned retirement from the Board.
	3. Promote flexible working arrangements.	● Achieved, page 17.
	4. Equal opportunity to participate in development and training programs to support career growth.	● Achieved, page 17.
	5. Work with our operators and partners to identify and participate in community-based projects.	● Achieved, the two Maari JV sponsored community projects are completed. Horizon is currently working with the Operator to identify further opportunities to participate in community-based projects. Pages 18-19.
Climate Change	1. Support operator emissions reduction initiatives.	● Although we are in a non-operator position in our producing assets, we proactively engage with the operators to monitor and understand field emissions, and where feasible, promote emission reduction initiatives, page 30.
	2. Apply an internal carbon price to help guide business decisions and viability of future projects and to ensure that the project is economic should a carbon price be imposed in the future.	● Carbon price forecasts are assessed as sensitivities for potential new projects.
	3. Continued improvements in Horizon's climate disclosures across the four thematic areas of TCFD (governance, strategy, risk management and metrics/targets).	● Amber score as no targets set. However, emission reporting system expanded to incorporate the Mereenie asset.

FY26 Outlook

At the time of writing this sustainability report, Horizon is actively developing fit-for-purpose goals, targets, and initiatives for each of our newly identified material topics [refer to Governance Section]. These will be reflected in our updated ESG Action Plan, which will guide the Company's sustainability efforts and reporting from FY26 onwards.

A. Health, Safety and Environment

Health and Safety

Our Goal

We will continue to outperform our peers and industry benchmarks through ongoing and active engagement with our operators

Our Targets for FY25

- 1. Achieve zero fatalities
- 2. Achieve a TRIFR less than the NOPSEMA industry average for the reporting period
- 3. Achieve a LTIFR less than the NOPSEMA industry average for the reporting period

Health and Safety

Horizon actively engages with JV partners and operators through regular meetings to discuss health and safety matters. Operators report monthly on agreed health and safety metrics, with Horizon closely monitoring any serious or high-potential issues to ensure timely and appropriate actions are taken.

During FY25, the health and safety focus at Mereenie was on preparing for the two development wells campaign. This involved contractor prequalification, preparation of HSE Management System bridging documents, and traffic management plans. Significant health and safety input was provided throughout the drilling program, including audits, workshops, and increased management visits by both the Operator and the drilling company. Onsite safety supervision was supported by Central Petroleum with a full-time safety representative on site.

Overall, Horizon's production assets continue to demonstrate strong health and safety records, underpinned by strong safety cultures and active community engagement.

First aid and emergency response training continue to be a priority, with refresher courses regularly offered to employees and contractors, including Offshore Petroleum Industry Training Organisation (OPITO) - approved Basic Offshore Induction Safety and Emergency Training (BOSIET) certification for offshore personnel.

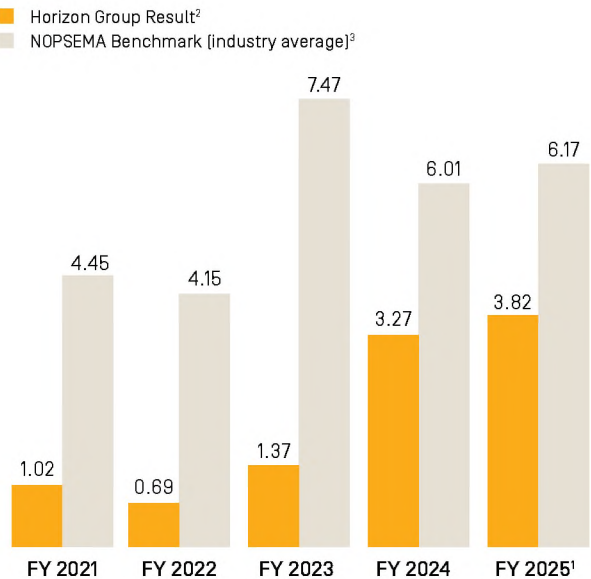
Horizon's Board continues to oversee health and safety performance trends and reviews all material incidents through regular reporting. Our HSSE Policy remains available on our website for transparency and accountability.

Occupational Injury and Illness Incidents

Regular audits and strong engagement across all levels continue to underpin the safety performance of our assets. In FY25, Horizon recorded a TRIFR of 3.82 and a LTIFR of 0.64, both below the NOPSEMA benchmarks of 6.17 (TRIFR) and 1.47 (LTIFR) based on published data for FY24. No fatalities occurred across Horizon's assets during the year. It is noted that the TRIFR has increased over recent years. Analysis of this trend has highlighted improvements in the reporting culture at several of Horizon's assets. Importantly, the severity of injuries remains low.

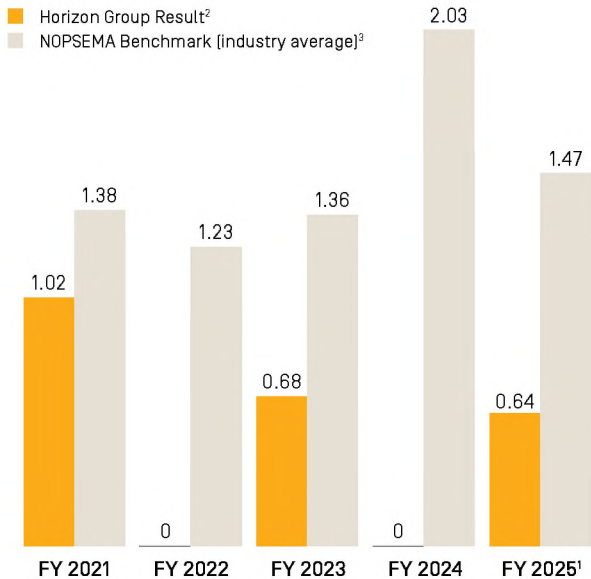


Total Recordable Injury Frequency Rate (TRIFR)



- 1 FY25 is the first year that Horizon's TRIFR and LTIFR statistics include Beibu, Maari, and Mereenie. Prior years included only Beibu and Maari. The Thailand assets are excluded.
- 2 Includes all hours (contractor and operator) worked offshore for our assets and Horizon corporate staff and contractor hours between FY21-FY24. Mereenie included from FY25.

Lost Time Injury Frequency Rate (LTIFR)



- 3 The NOPSEMA benchmarks are derived from injury and hours worked data provided in quarterly reports. Horizon performance for any particular financial year is benchmarked against NOPSEMA average for the preceding financial year.

Asset Integrity Management

The operators of Horizon's assets remain committed to minimising process safety risks to as low as reasonably practicable (ALARP) levels. Effective emergency response systems are in place across all assets to ensure readiness in the event of an incident.

Experts and technical authorities within the operators' organisations provide assurance on process design, safety management, and asset integrity, with Horizon providing technical oversight where appropriate. Robust asset integrity and maintenance systems continue to support safe and reliable operations.

At Maari, a notable achievement during FY25 was the receipt of a Design Appraisal Document from Lloyd's Register for the Floating Production Storage and Offloading (FPSO) and Wellhead Platform (WHP) life extension review. This follows on from the American Bureau of Shipping (ABS) Class Certificate with a five-year life extension notation for the FPSO, which maintains the vessel's classification to April 2028 and confirms that it has been surveyed in accordance with ABS rules.

Environment

Our Goal

 We are committed to working with our operators to protect the environment in which we work

Horizon is committed to working collaboratively with our operators to ensure environmental protection across all assets. The Group continues to uphold its obligation to conduct exploration, development, and production activities in an environmentally responsible manner, in compliance with applicable environmental regulations in each jurisdiction.

During FY25, there were no material or significant reportable environmental incidents. However, following a year of zero reportable environmental incidents in FY24, a minor incident occurred where there was a 10-litre oil spill to sea from a workover unit during a well workover operation. The operator's Spill Contingency Plan was activated, and the Regulator was notified. The operation was suspended to enable a full investigation, with corrective actions implemented upon its completion.

1 IPIECA defines a 'material issue' as any topic, that in the view of management or stakeholders, affects a company's performance significantly and informs external opinion. They tend to be issues that most affect value creation and the economic and reputation resilience of a company in a positive or negative way.

2 'Reportable' incidents are any environmental incidents that are reported to regulatory authorities.

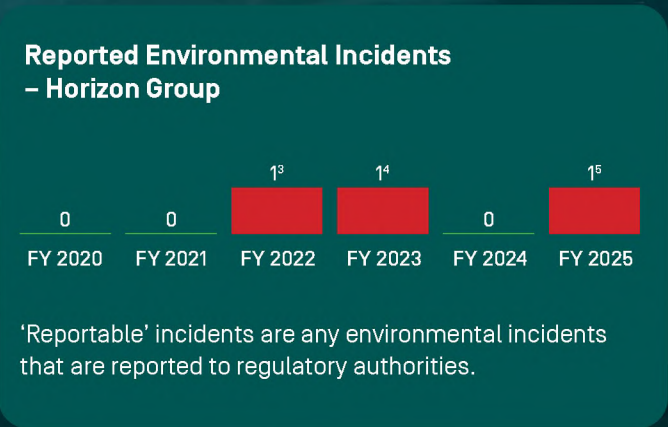
3 Notifiable environmental incident, with 30 litres of oil spilt to sea during well back-wash operation. Emergency response plan was initiated, the Regulator was notified, incident investigation was carried out and corrective actions implemented.

4 Spill with no hydrocarbons involved.

5 Notifiable environmental incident, with 10L oil spill from the workover unit to sea.

Our Targets For FY25

1. Achieve zero material¹ or reportable² environmental incidents
2. Zero spills to the environment



Beibu, China

Beibu continued to perform well from an environmental perspective during FY25. Beibu operations are subject to environmental regulations under Chinese law. Horizon's Operator is a member of the International Petroleum Industry Environmental Conservation Association (IPIECA) and maintains its Environmental Management System aligned with International Organisation for Standardisation (ISO) 14001 standards, ensuring that environmental impacts and risks are actively managed.



Maari, New Zealand

Maari maintained a strong focus on environmental compliance and regulatory engagement during FY25. The Operator remains a member of IPIECA and continues to manage its management systems, aligned to ISO 14001. Marine discharges are managed under regulator-issued consents, and compliance is achieved through accurate monitoring and reporting of discharge quantities, quality, and dosage. Any nonconformities are reported to the regulator as required.



Mereenie, Australia

FY25 marked the first full year of environmental reporting for the Mereenie asset. Located in one of Australia's most scenic and culturally significant landscapes, the region is characterised by diverse flora and fauna and rich Indigenous heritage.

Mereenie operations are governed by comprehensive Environmental Management Plans (EMPs), approved by both national and territory regulators. These EMPs set out obligations for:

- Waste management
- Water resource protection
- Air emissions
- Land disturbance and rehabilitation
- Soil and biodiversity conservation
- Pest and weed control
- Bushfire prevention and mitigation

In FY25, the Joint Venture implemented a rehabilitation program focused on the removal of legacy sumps and flare pits, as well as the reduction of selected well pad footprints. These works aim to progressively restore impacted areas, improve surface stability, and reduce long-term environmental disturbance. All rehabilitation activities are carried out in line with EMP requirements and subject to regulatory oversight.

Prior to any activity, the Operator engages with stakeholders and ensures all relevant approvals and clearances are obtained. Regular environmental inspections are conducted by Central Petroleum, 3rd party contractors and regulators to assess compliance, including all operations and drilling activities.



Sinphuhorm and Nam Phong, Thailand

Whilst acquisition of the participating interest was completed after FY25, it is important to note that Horizon's new Thai assets demonstrated strong environmental stewardship during the period. The Sinphuhorm asset was honoured with an Environmental Impact Assessment (EIA) Monitoring Award by Thailand's Office of Natural Resources and Environmental Policy and Planning (ONPE), recognising excellence in environmental compliance and performance. Phase one of the Sinphuhorm's solar rooftop project was also successfully implemented, contributing to lower carbon emissions and energy efficiency. Further reinforcing community engagement and ecological resilience, several environmental initiatives were launched recently, including a youth-focused environmental protection campaign, forest fire prevention and protection programs, a biogas initiative, and local reforestation efforts.

Decommissioning

While no substantive decommissioning activities were undertaken during FY25, Horizon and our JV partners continued to maintain preparedness across all assets. Planning obligations, financial provisions, and regulatory engagements remain in place to ensure the Company is positioned to meet our future decommissioning responsibilities in line with legislative and JV requirements.

B. Governance

Our Goals

-  We have a zero-tolerance policy on bribery and other forms of corruption. We will continue to strengthen and uphold the highest standard of integrity and ethical business conduct in all our business activities
-  We promote, and are committed to, a high standard of integrity and ethical and transparent behaviour in business

Our Targets for FY25

1. Conduct a full Materiality assessment to identify ESG issues that can affect Horizon's ability to create value, manage risks and meet the expectations of its stakeholders

Our Commitment to Ethical Business Conduct

Horizon remains committed to conducting business ethically and transparently across all jurisdictions in which we operate. In FY25, we maintained strong governance systems and reinforced a culture of integrity through our Anti-Bribery and Whistleblower policies, internal reviews, and ongoing staff engagement. Our ethical commitment is supported by an experienced Board and leadership team that oversees compliance, governance performance, and risk management across the business.

We published our 2024 Corporate Governance Statement, reaffirming our alignment with the ASX Corporate Governance Council's 4th Edition Principles and Recommendations, and reinforcing our approach to risk, ethical conduct, and Board accountability. These governance practices also extend to our non-operated JV interests, where we actively engage with partners to uphold shared values.

In November 2024, we published our Modern Slavery Statement for FY24, prepared under Australia's Modern Slavery Act 2018. The statement covered our Australian-based operations and supply chains, JVs in China, New Zealand, and beginning late in FY24 the Mereenie gas field. Key actions taken during FY24 included updating internal risk registers to assess modern slavery exposure, briefing the Board on identified risks, and developing a plan to strengthen supplier due diligence. FY25 priorities include expanding oversight of JV supply chains, refining supplier pre-qualification criteria, and incorporating modern slavery clauses in new contracts. Horizon also continues to raise awareness among staff and JV partners to ensure responsible practices across the business.

Corporate Governance

In FY25, we advanced our governance framework through important leadership updates and ongoing oversight activities. Our Board conducted bi-annual reviews of its Charter and corporate policies, alongside six-monthly evaluations of the Risk Management System, ensuring effective risk management and compliance throughout our organisation.

This year also saw significant changes to our Board composition that bring valuable skills and experience to support our strategic growth and operational excellence:

- **Bruce Clement**, appointed Chairman, brings over 30 years of executive leadership in the energy sector, including operational management and strategic governance. His leadership experience and industry knowledge will guide our Board in delivering long-term value and ensuring strong governance practices.
- **Dr Peter Goode**, appointed Non-Executive Director, is a seasoned geoscientist with deep technical knowledge of oil and gas exploration and production. His experience will enhance our operational insight and technical governance, supporting informed decision-making on asset development and sustainability.
- **Catherine Costello**, appointed Non-Executive Director, brings extensive expertise in resources project development, commercial negotiations, and risk management from her leadership roles in major resources and infrastructure projects. Her skills will strengthen our ability to execute complex development projects and optimise commercial outcomes.

These appointments followed the retirement of our previous Chairman and mark a strategic refresh of the Board, aligning leadership capabilities with our evolving business priorities.

Through these governance enhancements, we are well-positioned to navigate industry challenges, drive sustainable growth, and uphold transparency and accountability for all our stakeholders.

For more information on our governance framework and Board members, please visit: <https://horizonoil.com.au/about-who-we-are/about-corporate-governance/>

ESG Governance

In FY25, we continued to strengthen our ESG governance framework through ongoing oversight by our Board and the Sustainability Steering Committee (SSC). The SSC, chaired by our CEO and including key representatives from executive management, Finance, Production, and Development, supports the Board and Risk Management Committee in implementing our ESG Action Plan and monitoring performance. Regular updates on sustainability matters are provided at every Board meeting to ensure ESG risks and opportunities remain fully integrated into our strategic planning and risk management.

A key milestone in FY25 was the completion of a comprehensive double materiality assessment, reflecting our expanded asset base, including the acquisition of our interest in the Mereenie oil and gas field in June 2024. This assessment considered both impact materiality i.e., evaluating how our assets affect the environment and society and financial materiality i.e., examining how sustainability risks and opportunities could influence our financial position and long-term value.

To ensure a robust and inclusive process, we engaged extensively with stakeholders through interviews and surveys involving our internal teams, JV partners, and external stakeholders. We combined qualitative insights with quantitative data, underpinned by a structured impact assessment methodology.

Risk Management

The Board's Risk Management Committee continues to play a vital role in supporting the Board's oversight of material business risks. The Committee is responsible for ensuring that all significant risks are identified, assessed, monitored, and escalated as appropriate, alongside the implementation of effective mitigation strategies and controls.

Our risk management framework follows a robust bottom-up methodology aligned with ISO 31000 principles, assessing short-, medium-, and long-term financial and operational risks. Horizon also conducts an annual top-down analysis of strategic risks and opportunities, focused on the medium to long term, to complement the operational risk review and provide a comprehensive check and balance in our risk management process.

In FY25, we expanded the previous 'climate change' risk category into a broader 'sustainability' risk category, reflecting contemporary industry practices and aligning with emerging sustainability-related disclosure expectations, including those gradually being incorporated into ASX reporting requirements.

B. Governance (cont'd.)

The materiality assessment identified eight priority one topics that are highly significant to Horizon and our stakeholders:



The priority one topics will form the foundation of our revised sustainability strategy, with specific goals, targets, and initiatives to be developed and integrated from FY26 onward.

This structured and transparent approach ensures Horizon's sustainability efforts align with stakeholder expectations and focus on managing the key risks and opportunities that drive long-term value creation.

Our Executive Leadership Team remains accountable for embedding ESG considerations into day-to-day management, including ongoing GHG emissions tracking and proactive risk management. Through this integrated approach, we continue to balance operational performance with environmental stewardship and social responsibility, ensuring Horizon's resilience and positive contribution to a sustainable energy future.

As at FY25, Horizon's risk categories include:



Cyber Security

In FY25, we strengthened our cyber resilience through targeted upgrades to IT infrastructure and proactive risk management strategies. Building on the results of an independent IT assessment completed at the end of FY24, we initiated key improvements to further secure digital operations and address evolving threats. These efforts reflect our broader commitment to operational continuity and data integrity across all jurisdictions.

C. Our People and Communities

Our People

Our Goals

-  We support our team to excel and are committed to diversity, innovation, teamwork and being an employer of choice
-  We strive to make a positive impact in the communities we operate

Our Targets For FY25

1. At least 20% women employees in senior executive roles through any future recruitment initiatives
2. 30% women directors on the Board
3. Promote flexible working arrangements
4. Equal opportunity to participate in development and training programs to support career growth
5. Work with our Operators and partners to identify and participate in relevant and meaningful community-based projects

Horizon is maintaining our gender diversity targets although it is noted that these may be difficult to achieve given the size of the company.

Employee Support

In FY25, Horizon continued to foster a flexible and supportive working environment. We maintained remote work options for staff and contractors, allowing for a balanced approach to productivity and wellbeing.

Our novated lease arrangement for electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), introduced in FY24, remained available and well-utilised. This initiative reflects Horizon's ongoing support for sustainable practices while offering employees access to cost-effective vehicle financing through pre-tax salary deductions.

We also continued to provide financial support for gym memberships and fitness programs, reinforcing our commitment to employee health and wellbeing.

Workforce Diversity

Horizon is committed to fostering a diverse and inclusive workplace, guided by our Diversity Policy. We value the range of perspectives brought by individuals of different genders, backgrounds, experiences, and education. With a small and stable workforce, Horizon continues to benefit from very low staff turnover.

Our Board has retained the diversity objectives set in FY24, and we remain focused on progressing these goals despite structural limitations posed by our size and lean operating model. Progress against each measurable objective is outlined below.

A significant addition in FY25 was the launch of Horizon's Employee Assistance Program (EAP), delivered in partnership with Connect Psych. This new service gives employees, consultants, and directors access to free, confidential mental health counselling and a wide range of wellbeing resources. We recognise the importance of mental wellbeing, and the EAP supports our people through both personal and professional challenges. All interactions remain strictly confidential, with only high-level, de-identified insights shared to inform workplace wellbeing initiatives.



FY25 Measurable Objective	Progress In FY24
Maintain a target of at least 20% women employees in senior executive roles.	Horizon maintained at least 20% female representation in management roles until the resignation of the Group's General Counsel and Company Secretary in FY22. These responsibilities have since been absorbed by the existing executive team, with no further recruitment. While this target remains challenging due to the size of the company, we continue to uphold it as a long-term objective.
Achieve a target of 30% women directors on the Board.	At the end of FY25, the number of women directors increased for an interim period to 2 in 7 (28.6%), following Ms Catherine Costello's appointment. Following the planned retirement of Ms Sandra Birkenleigh from the Board during FY26, the Board composition will revert to women directors comprising 1 in 6 (16.7%). Horizon remains committed to improving gender balance on the Board and retains this target as an ongoing goal.
Promote flexible working arrangements.	Horizon provides flexible working arrangements for all staff and consultants, and offers parental leave entitlements exceeding Australian statutory obligations. We recognise that employees at all levels may have domestic responsibilities outside the workplace.
Equal opportunity to participate in development and training programs to support career growth.	All employees had equal access to development and training opportunities during the year. Horizon also supports professional growth by contributing to relevant industry memberships and professional subscriptions for staff.

Our Communities



Horizon continues to take an active role in supporting initiatives within the local communities where our assets are based, through the efforts of our operators in China, New Zealand, and Australia who maintain positive and respectful relationships with local communities, businesses, landowners, and Indigenous peoples.

During FY25, the Maari JV through its Operator, supported two key community projects in South Taranaki District, New Zealand, aligned with our Sustainable Development Goal (SDG) priorities:

Waverley Pump Track

Completed at the end of December 2024, the fully functional asphalt pump track which is 138m in length was built at Aotea Park in Waverley, adjacent to the existing playground and court area. This vibrant recreational hub is suitable for all skill levels and age groups, and has become a popular spot for families, youth, and visitors from surrounding areas.

In addition to the track itself, shaded areas and durable seating were installed to enhance comfort for spectators and families. The site was fully prepared with drainage and landscaping to integrate seamlessly with the surrounding environment.

The project has received very positive feedback from local youth, parents, school staff, and business owners, highlighting the track’s social and health benefits, as well as its contribution to local economic activity. Local schools have also incorporated the track into their physical education programs.

OMV, on behalf of the Maari JV, attended the blessing and official opening ceremony for the track.



Patea Jetty and Viewing Platform

The second Maari JV-sponsored initiative - the construction of a jetty and viewing platform in Patea – was officially blessed and opened in early August 2025. Local residents are already enjoying the new structure, which replaces the remnants of an 1880s-era jetty.



The Patea River remains an important recreational and cultural feature of the town, used regularly by the Ngāti Ruanui Iwi. The new jetty provides a safe and accessible place for fishing, relaxing, and enjoying the river. The project, including landscaping works, was undertaken by the South Taranaki District Council parks team.

The Maari JV is actively exploring additional opportunities to support meaningful community projects that align with local needs and values.

In Australia, the Mereenie Field continues to operate under the land access agreement administered by the Central Land Council (CLC) in accordance with the *Aboriginal Land Rights (NT) Act 1976*. Regular engagement sessions are held with Traditional Owners, and Sacred Site Clearance Certificates are in place for all previously cleared areas and are obtained prior to any new ground-disturbing activities. The Operator, on behalf of the JV, remains committed to the protection of cultural heritage and the environment.

The Mereenie JV continues to support local businesses through its procurement practices and has a history of community engagement through sponsorships and events. Past projects include solar repairs for remote communities, donations of vehicles to youth programs, support for sporting programs, sponsoring the Hermannsburg ladies Choir to travel to Europe to sing at multiple festivals, sponsoring local Traditional Owners to travel to Brussels to engage with the European Union regarding aboriginal rights and cultural initiatives such as “Walk-a While” and the donation of musical instruments to church bands. In FY25, the Mereenie JV has extended its community support to the State Emergency Services (SES) by contributing to the SES Volunteers Association Yearbook as a gesture of appreciation. In addition to the above activities, the Mereenie JV continues to support grass root sporting teams, education initiatives and local community donations for events or equipment that benefits the entire community.



Taxes and royalties paid over the years, FY25 includes Mereenie.

As in previous years, Horizon’s operations contribute meaningfully to regional economies. Our Maari Operator continues to support local employment through its ‘green hat’ training program for well workovers. Our Beibu Operator maintains a strong preference for domestic procurement, supporting local businesses. At Mereenie, the JV operator actively trains and employs Indigenous people.

We also continue to contribute to local economies through tax and royalty payments. In particular, the Mereenie project supports the Northern Territory economy, with royalties from production revenues contributing to the Central Land Council in its role as a representative voice for Aboriginal communities. Horizon also makes payments through tax and royalties to the local governments where our Beibu and Maari assets are based.

“Without funding from business like yours, it would be impossible to produce this quality publication. This advertising is essential for the ongoing support of this publication and to continue the communication between NSESVA and their members

D. Climate Change

Our Goals

-  We have a role to play in the world's energy transition and we're committed 'to going beyond easy' in tackling climate change
-  We are committed to integrating climate risks and opportunities into our business decisions and organisational strategy

Our Targets for FY25

1. Support operator emissions reduction initiatives
2. Apply an internal carbon price to help guide business decisions and viability of future projects and to ensure that projects are economic should a carbon price be imposed in the future
3. Continued improvements in Horizon's climate disclosures across the four thematic areas of the TCFD [governance, strategy, risk management and metrics/ targets]

Taskforce on Climate-related Financial Disclosure (TCFD)

This Climate Change section of our Sustainability Report reflects the four thematic areas of TCFD. The report disclosures are reconciled with the TCFD recommendations in the table on page 34.



We recognise the critical role the oil and gas industry must play in supporting the global energy transition and to help meet essential energy needs while economies shift toward lower-emission futures.

Our focus continues to be on delivering reliable and affordable energy with the lowest practical emissions intensity, particularly during this pivotal transition period. Gas, in particular, has a central role to play providing flexible baseload power, supporting economic resilience, and enabling the shift away from higher-emission fuels.

In FY25, we deepened our involvement in the domestic gas sector across the Asia-Pacific region following our acquisition in late FY24 of a 25% interest in the Mereenie oil and gas field. The Mereenie field has been a steady and reliable supplier of gas to the NT in Australia for decades, helping to support miners and communities in meeting their energy needs. During FY25, gas supply constraints within the NT led to Mereenie providing 30-40% of the NT domestic gas supply for long periods. Recognising Mereenie's importance in the NT, Horizon's CEO visited the Mereenie oil and gas field in the Northern Territory alongside Deputy Chief Minister Gerard Maley. The visit reinforced the importance of domestic gas in creating jobs, securing local energy supplies, and supporting industrial growth.

The Mereenie JV continues to supply gas to both the Northern Territory and East Coast markets via the Amadeus and Northern Gas pipelines. A gas sales agreement (GSA) was executed with the Northern Territory Government (NTG) in July 2024 for the supply of gas for a six-year period from 1 January 2025 through until 31 December 2030. Gas sales to the NTG were boosted following the successful drilling of two development wells [WM29&30] in Q4 2024 and Q1 2025.

Whilst outside of this reporting period, in August 2025, Horizon also completed the acquisition of an effective 7.5% interest in the Siphuhorm gas field and an effective 60% interest in the Nam Phong gas field, both located onshore in Thailand. These assets further diversify our portfolio with long-life gas production in a country experiencing growing domestic gas demand. Gas from both fields supplies the 710 MW EGAT Nam Phong gas power station that delivers critical electricity to north-east Thailand, supporting the country's energy security and energy transition goals.

As reported previously, Horizon made a seed capital investment in Re-Vi (formerly Nobrac), a company specialising in Carbon Dioxide Removal (CDR) through large-scale biochar projects. We continue to monitor Re-Vi's progress, with a brief project status update provided on page 33 of this report.

We remain focused on a strategy that balances resilience and growth. By investing in stable, emissions-conscious oil and gas production, pursuing targeted decarbonisation opportunities, and supporting infrastructure that enables the broader transition, Horizon aims to play a responsible and pragmatic role in the evolving energy landscape.

Governance

For climate-related Governance, please refer to the Governance Priority Area, on page 15.





Strategy

Horizon has applied the following timeframes to the identification of climate-related risks and opportunities. As part of the double materiality assessment completed in FY25, climate related risks and opportunities were revisited for our assets including Mereenie. The Thai assets were not included in this process and will be assessed in the next reporting period.

Short	Medium	Long
1 to 3 years	3 to 8 years	8 years plus

Risk and Opportunity Categories

Transition Risk

Transitioning to a lower-carbon economy will involve extensive regulation, legal, technological, and market changes.

Physical Risk

Physical risk can be both acute and chronic. Acute physical risks are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. Chronic physical risks are longer-term shifts in climate patterns [e.g., sustained higher temperatures] that may cause sea level rise or hotter, more frequent heat waves and drought.

Resource Efficiency & Energy Source Opportunity

Reduction of operating costs by reducing fuel consumption and GHG emissions, improving energy and operational efficiency across production processes.

Products, Services & Markets Opportunity

Increased revenues through access to new and emerging markets, such as carbon capture and storage, and biogas into existing infrastructure networks. Increased opportunity to diversify business activities and investment. For Mereenie, the potential extraction of helium from the raw gas stream provides an additional revenue stream.

[a] Climate-related Risks and Opportunities

At Horizon, we continue to identify, assess, and manage our climate-related risks and opportunities in line with our established risk management framework; a practice we have built on over the years. Our bottom-up assessment process considers climate risks and opportunities across the geographic regions where we operate, including our producing assets in China, New Zealand, and Australia. While similar risks and opportunities have been identified across all regions, our approaches to mitigation have evolved to reflect differences in government regulations and local requirements.

Horizon Climate-related Risks

Risk Type	Description	Potential Financial Impacts	Time Horizon
PHYSICAL RISKS	Acute	Climate change increases the severity, duration and frequency of extreme weather events in the Beibu Gulf [Block 22/12] and/or offshore Taranaki [Maari]. As these assets are located offshore, extreme weather events include storms and typhoons. Mereenie field, located onshore Central Australia, can experience extreme heat condition during the day. Other risks drought, flooding and soil erosion / slips.	Declining revenue due to disruptions to operations and supply chains, reduced labour productivity, increased costs to repair or replace equipment damaged by severe weather events, unable to meet operational budgets and KPIs leading to a decline in expected shareholder returns.
	Chronic	Rising ambient temperature in the Beibu Gulf, Taranaki and/or Mereenie.	Impacting offshore and onshore installations, reducing operating envelope buffer, requiring upgrade or retrofit of operating equipment and reduced labour productivity.
TRANSITION RISKS	Policy & Legal	Changes in legislation and regulation in response to climate change and risks associated with policy-driven transitions.	Increased compliance costs, insurance premiums, taxes, carbon pricing, changes in demand and pricing, and potential litigation arising from non-compliance. Onerous operating conditions for late-life assets, reducing revenue and profitability, leading to early retirement of existing assets.
	Technology	Technological improvements or innovations support and accelerate the substitution of existing high emission products with lower carbon emissions options.	The development of renewable energy systems could ultimately reduce demand for petroleum products [greater impact on liquid fuels than gas is anticipated] that are produced by Horizon's assets, leading to reduced revenue.
	Reputational	Reputational damage arising from association with oil and gas assets and partners with oil and gas companies.	Targeted operator or shareholder activism, assets divestment, and reduction of shareholder value. Loss of social license could lead to project delays or stoppages, losing value-adding opportunities.
		Institutional investors looking to manage ESG factors.	More onerous ESG requirements to qualify for financing, potentially impacting company growth and access to and cost of capital.
	Market	Changes in demand for carbon-intensive assets and increased costs of materials.	Declining revenues, early retirement of assets and reduction of shareholder value.

Horizon Climate-Related Opportunities

Opportunity	Description	Potential Financial Impacts	Time Horizon
Resource Efficiency and Energy Use	Plant modifications and capital projects to reduce energy consumption and asset field emissions.	Improved operating efficiency and reduced use of fuel and Scope 1 emissions, resulting in lower operating costs for the business.	Short, medium and long term
Products & Markets	Diversify business activities.	Increased revenues through access to new and emerging markets. One example is Horizon's seed capital investment in carbon dioxide removal company, Re-Vi Group. Another potential revenue stream is Helium associated with Mereenie gas production.	Medium to long term

[b] Resilience of our Portfolio

Horizon’s current asset portfolio shows resilience to climate change-related financial risk.

The risk of our low-cost producing assets becoming stranded under a range of IEA and AEMO decarbonisation scenarios is considered low. All fields remain NPV-positive and are expected to remain economic through at least the end of their existing licence periods.

Asset	Scenarios	FY26 & 27 NPV	Project NPV	Economic Life	Comment
Maari	IEA STEPS				Significantly positive oil prices impact partially mitigated by higher CO ₂ prices.
	IEA APS				Moderately positive oil prices impact partially mitigated by higher CO ₂ prices.
	IEA NZE				Asset economics impacted by lower oil prices and significantly higher CO ₂ prices.
Beibu	IEA STEPS				Significantly positive oil price impact.
	IEA APS				Moderately positive oil prices impact partially mitigated by higher CO ₂ prices.
	IEA NZE				Asset still shows robust economics with lower oil prices and significantly higher CO ₂ prices.
Mereenie	IEA STEPS & AEMO Progressive Change				Significantly positive oil and gas price impact partially mitigated by higher CO ₂ prices.
	IEA APS & AEMO Step Change				Moderately positive oil and gas price impact partially mitigated by higher CO ₂ prices.
	IEA NZE & AEMO Green Energy Exports				Asset still shows robust economics with lower oil and gas prices and significantly higher CO ₂ prices.

Positive/negligible impact Moderate negative impact Significant negative impact

Refer to the tables on page 25 - **2024 IEA Climate Scenarios and 2025 GS00 Scenarios applied by AEMO** for more information on IEA and AEMO scenarios.

Climate Scenario Analysis

A. Methodology

We have applied the IEA and AEMO scenario assumptions to Horizon’s base case modelling to assess their potential impact on the Net Present Value (NPV) of our producing assets — Beibu, Maari, and Mereenie. This analysis incorporates Horizon’s forecast carbon emissions, IEA’s crude oil¹ and carbon price² forecasts, and AEMO’s GPG gas price forecasts in the Northern Territory.

For Beibu and Maari, we have compared the NPV impact under each IEA scenario against Horizon’s base case to assess asset resilience. For Mereenie, the assessment has incorporated both IEA and AEMO scenarios. Resilience has been evaluated based on whether scenario assumptions materially impact asset NPV or alter the current forecast economic life of each asset. We have also considered the implications over the short and medium term. Horizon’s base case assumptions indicate that our producing assets are economic through at least the end of the existing licence periods.

1 Oil price forecasts are based on a linear extrapolation from the 2024 oil price and the projections in the World Energy Outlook 2024. An inflation rate of 2% has been assumed.
2 CO₂ price forecasts are based on a linear extrapolation from the 2024 CO₂ price and the projections in the World Energy Outlook 2024. Carbon prices for New Zealand and Australia under the Stated Policies scenario are assumed to be the same as the Announced pledges scenario.

B. IEA & AEMO scenarios

Horizon’s scenario analysis utilises the IEA’s crude oil and carbon price forecasts for the following three scenarios:

2024 IEA Climate Scenarios

Key Features	IEA Scenarios		
	Stated Policies [STEPS]	Announced Pledges [APS]	Net Zero Emissions by 2050 [NZE 2050]
Overview	Provides an outlook based on the prevailing policy settings.	Assumes all national energy and climate targets made by governments are met in full and on time.	Sets out a pathway to reach net zero emissions by 2050 in a way that limits global warming to 1.5°C.
Crude Oil Prices [real 2023]	US\$79/bbl in 2030; US\$77/bbl in 2040; US\$75/bbl in 2050.	US\$72/bbl in 2030; US\$63/bbl in 2040; US\$58/bbl in 2050.	US\$42/bbl in 2030; US\$30/bbl in 2040; US\$25/bbl in 2050.
World CO ₂ Emissions	36.2Gt in 2030; 31.2Gt in 2040; 28.6Gt in 2050.	32.1Gt in 2030; 18.8Gt in 2040; 11.7Gt in 2050.	25.1Gt in 2030; 6.2Gt in 2040; – Gt in 2050.
China Carbon Price Forecast	US\$39/t CO ₂ in 2030; US\$46/t CO ₂ in 2040; US\$52/t CO ₂ in 2050.	US\$40/t CO ₂ in 2030; US\$110/t CO ₂ in 2040; US\$160/t CO ₂ in 2050.	US\$90/t CO ₂ in 2030; US\$160/t CO ₂ in 2040; US\$200/t CO ₂ in 2050.
New Zealand Australian Carbon Price Forecast	US\$135/t CO ₂ in 2030; US\$175/t CO ₂ in 2040; US\$200/t CO ₂ in 2050.	US\$135/t CO ₂ in 2030; US\$175/t CO ₂ in 2040; US\$200/t CO ₂ in 2050	US\$140/t CO ₂ in 2030; US\$205/t CO ₂ in 2040; US\$250/t CO ₂ in 2050.

Source: IEA

For Mereenie, scenario analysis utilises AEMO’s NT GPG gas price forecasts for the following three scenarios:

2025 GS00 Scenarios applied by AEMO

Key Features	Progressive Change	Step Change	Green Energy Exports
Overview	Remains characterised by a slow rate of transformation, featuring more challenging conditions that necessitate decarbonisation efforts being deferred to their latest practical point to achieve the intent of relevant policies.	Remains characterised by a level of energy transition that is consistent with policy including Australia’s commitments to international climate obligation.	Continues to reflect a high growth case, where economic and technological opportunities support a rapid and significant scale of energy system transformation.
NT GPG Gas Prices	A\$9.0/GJ in 2030; A\$8.0/GJ in 2040; A\$9.0/GJ in 2050.	A\$9.0/GJ in 2030; A\$8.0/GJ in 2040; A\$8.5/GJ in 2050.	A\$8.5/GJ in 2030; A\$7.0/GJ in 2040; A\$7.0/GJ in 2050.
IEA 2021 World Energy Scenario	Stated Policies	Sustainable Development	Net Zero Emissions

Source: AEMO

Importantly, Horizon incorporates carbon pricing into its base case portfolio analysis. The base case modelling applies a carbon price of US\$36/t CO₂e (real 2024) to its producing asset in New Zealand, US\$30/t CO₂e (real 2024) to its producing asset in Australia, and uses the IEA STEPS CO₂ pricing for its producing assets in China. These assumptions are based on the following: (a) New Zealand maintains its current Emission Trading Scheme; (b) an offset regime applies in China; and (c) emissions from Mereenie fall below the Australian Government’s Safeguard Mechanism threshold. Despite the regulatory requirements, Horizon’s base case valuation conservatively assumes the purchase of offsets for emissions.

C. Limitations of our analysis

The IEA and AEMO scenarios are based on reported 2024 data. As a result, the commodity price forecasts do not consider the prices currently being realised in the market. Our current climate scenario analysis also does not include detailed consideration of geopolitical tensions or Gross Domestic Product (GDP) implications that are likely to escalate in cases where decarbonisation is accelerated. Detailed analysis of physical climate risk scenarios is ongoing and will further evolve over future years.

Risk Management

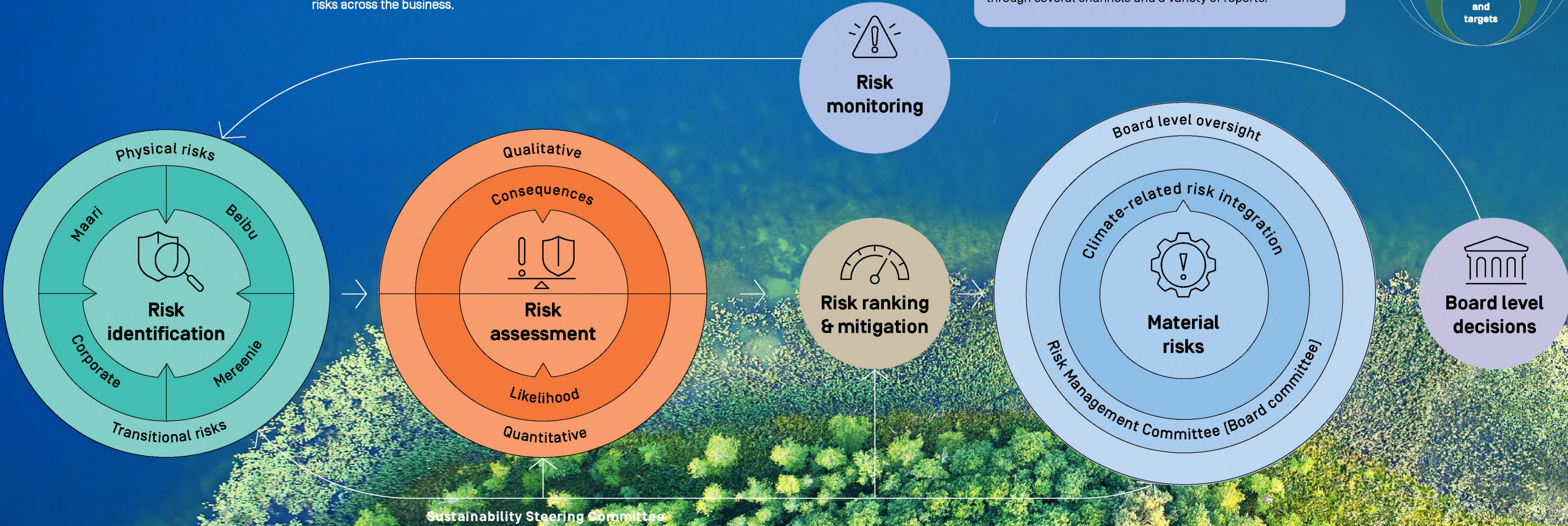
Our approach to managing climate-related risks at Horizon continues to align with our overarching Risk Management Standard. This corporate framework supports the identification, assessment, and management of all risks, including climate-related risks, through the development and maintenance of a dedicated risk register.

As shown in the flow chart below, our risk management process is ongoing and specifically highlights how we address climate-related risks. This process is consistent with how we manage other financial and operational risks across the business.

Risk monitoring



Risks are reviewed regularly for any potential change and changes are promptly communicated within the organisation. Material risks are continuously monitored through several channels and a variety of reports.



Risk identification

The identification process considers climate-related risks by the business units in different geographic regions. For each business unit [Corporate in Sydney, Maari in New Zealand, Beibu in China and Mereenie in Australia], we follow the climate-related risk categories as recommended in the TCFD implementing guidance. We consider both physical risks and transition risks as relevant to our business units, as demonstrated in the previous sections. As our business units operate in different geographic regions, we take local regulation and market conditions into consideration when identifying climate-related risks for that business unit.

Risk assessment

The identified risks are assessed applying qualitative and quantitative methods to determine how likely the scenario is to occur and the potential consequences to our business. The likelihood and severity will determine the risk level, following Horizon's risk matrix.

Risk ranking & mitigation

For each identified risk, we consider the mitigation measures that could effectively reduce the risk and assign a risk owner. All identified risks are reviewed holistically, guided by the risk level, to identify material risks from climate change that would expose Horizon's business. For all risks, possible mitigation measures are considered to reduce Horizon's risk exposure. While all climate-related risks are of importance, we prioritise those risks that are considered to have a material impact to the business.

Material risks

Climate-related risks that are considered material are integrated into Horizon's overall risk management. The material risks, and mitigation measures are included in Horizon's risk report, together with all other material risks to the business. These risks are also highlighted in the internal Sustainability Report to the Board, and are discussed at the Risk Management Committee.

Board level decisions

Board level decisions with specific actions are developed to manage the material risks. The actions may not necessarily reduce the risk immediately but a process to address the risks and position Horizon to be resilient to those risks in the medium to long term.

Metrics

A. GHG emissions

Horizon continues to apply the NGER scheme framework to calculate and report our GHG emissions in accordance with established regulatory methodologies. While Horizon itself is not required to report under the NGER scheme due to operational control arrangements, we apply the NGER measurement and emissions factors framework to estimate emissions across our assets for internal reporting and transparency.

Scope 1 emissions are calculated differently for each producing asset, reflecting local operator data and regulatory schemes as follows:

- For Maari, Scope 1 emissions are based on operator-supplied data calculated under the New Zealand Emissions Trading Scheme (ETS) methodology.
- For Beibu, we estimate Scope 1 emissions using operator-reported raw data such as produced gas, flared gas, and fuel gas, applying the NGER Measurement Determination 2008 and National Greenhouse Account Factors consistent with Australian methodology.
- For Mereenie, Scope 1 emissions are estimated from operator-reported raw data following the NGER methodology. As our reporting deadline precedes the operator’s final annual report, fugitive emissions are estimated using prior-year survey results.

A breakdown of our emission profile is presented in the table below:

No Offsets		Horizon Equity Basis				
Scope / Description		FY21	FY22	FY23	FY24	FY25
Scope 1, tCO ₂ e		40,955	42,908	54,041	42,259	48,098
Scope 2, tCO ₂ e		25	20	19	16	16
Scope 3, tCO ₂ e		574,877	575,286	822,813	610,451	634,817
Emissions intensity (scope 1 & 2), tCO ₂ e/boe		0.031	0.032	0.028	0.030	0.029
Emissions intensity (scope 1, 2 & 3), tCO ₂ e/boe		0.462	0.463	0.460	0.463	0.417

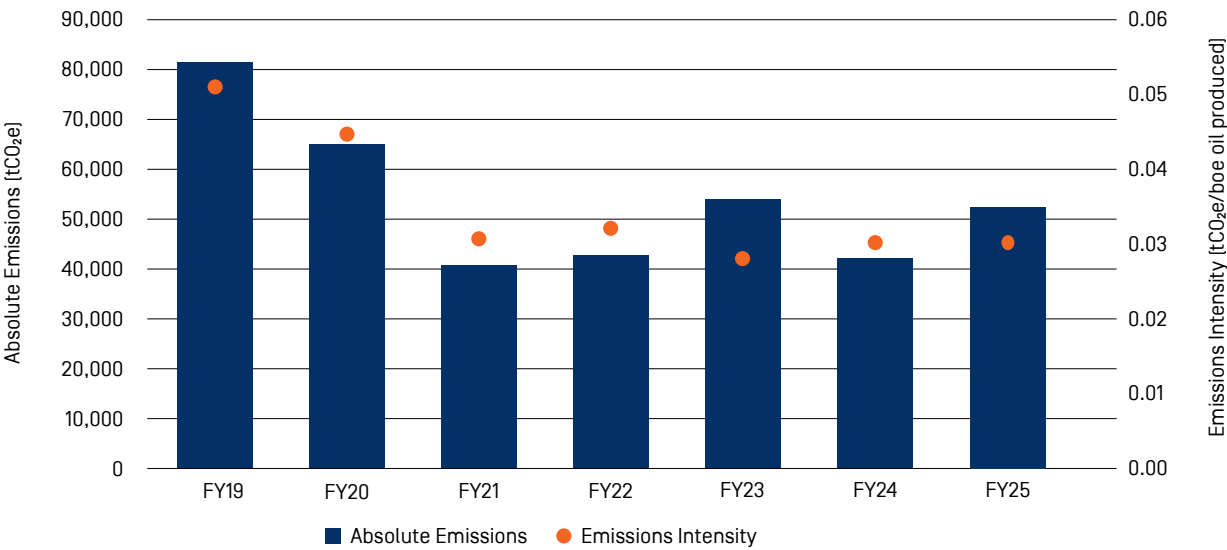
There are no Scope 2 emissions related to our production facilities, as electricity is generated on-site using fuel gas or crude fuel. The only reported Scope 2 emissions arise from purchased electricity for our Sydney office.

Scope 3 emissions, which primarily represent the end-use combustion of produced oil and gas, are estimated using national GHG factors and assumptions aligned with previous years. These include emissions from crude oil products used as fuel, as well as fugitive emissions associated with transportation, refining, storage, business travel, and staff commuting. For FY25, we have incorporated Scope 3 emissions from Mereenie sales gas, assuming all-natural gas distributed via pipeline is combusted as fuel.



In FY25, total Scope 1 emissions across all assets were 48,098 tCO₂e, with the addition of Mereenie contributing to the overall increase. Scope 2 emissions from our Sydney office were 16 tCO₂e which is stable compared to FY24. Total Scope 3 emissions were 634,817 tCO₂e representing an approximate 13% increase compared to FY24 and being attributable to Mereenie gas sales and higher production output.

Horizon Scope 1 GHG Historical Emissions and Emissions Intensity



The graph shows our Scope 1 GHG emissions and emissions intensity from FY19 [baseline year] through to FY25. In FY25, absolute Scope 1 emissions increased to 48,098 tCO₂e compared to 42,259 tCO₂e in FY24. Despite this rise in absolute emissions, the emissions intensity remained relatively stable, showing a slight decrease from around 0.030 to 0.029 tCO₂e/boe.

The increase in absolute emissions is primarily due to the inclusion of the Mereenie asset in FY25, which contributed additional emissions to the total. Adding Mereenie, being primarily a gas asset, has helped to marginally reduce our emissions intensity for FY25. Improvements such as enhanced fuel gas utilisation at Beibu and the successful installation of a flare gas recovery compressor at Mereenie have also contributed to increased efficiency gain. It is worth noting that our assets require gas for fuel to support operations. Emissions associated with flared gas may reduce but the energy demand for process heating and power generation is expected to remain relatively constant. Therefore, it is not expected that there will be any significant reduction in Scope 1 emissions for the remaining useful life of the assets. In addition, as production declines toward the end of field life, emissions intensity is expected to increase for the same reason that heating and power generation is unlikely to reduce at the same rate as production decline.

Overall, while total emissions rose with the expanded asset base and increased production, gas production, operational improvements and better fuel management helped mitigate emissions intensity growth, maintaining Horizon's focus on emissions reduction even amid production growth.

B. Energy use

Horizon's approach to energy use in FY25 remained consistent with prior years, with no material changes in consumption patterns across our assets. Direct energy use continues to arise primarily from the combustion of fuel gas, crude fuel and diesel to support production operations, as well as minor energy requirements for operator support activities and our corporate office in Sydney.

Operational practices and energy efficiency measures previously implemented at Maari, Beibu, and Mereenie remain in place and continued to be relevant in FY25. These included ongoing optimisation of steam demand, power generation from existing infrastructure, and fuel management strategies. Energy use at Mereenie continues to be reported under the NGER scheme by the operator, and emissions from various fuel types are also captured in the National Pollutant Inventory (NPI).

Horizon continues to support operator-led initiatives focused on energy efficiency, recognising that maintaining and improving energy performance is key to minimising associated emissions as fields mature.

C. Scope 1 emissions reduction initiatives to date

Beibu, China

At Beibu, Horizon continues to support the Operator’s integrated gas utilisation strategy across the Weizhou oil production area, where gas from multiple fields is used for power generation and excess gas is flared. This approach remains effective in minimising both energy use and flaring at a regional level. While immediate opportunities for further Scope 1 emissions reductions are limited due to existing infrastructure constraints, enhancements over the past two years—particularly relating to increased recovery and utilisation of gas from the Block 22/12 fields—have contributed to a small reduction in flaring and improved fuel gas efficiency. Horizon remains engaged and supportive of operator-led efficiency and emissions reduction initiatives as they emerge.



Maari, New Zealand

The Maari JV continues to maintain and refine the scope 1 emission reduction plan. Many previously implemented measures ranging from flare gas reduction, steam and energy optimisation, to boiler and turbine efficiency improvements have already delivered a cumulative annual reduction of approximately 8,500 tCO₂e net to Horizon. In FY25, work progressed in further refining boiler operations, evaluating automation of crude fuel burn, optimising power consumption through variable speed drives, and advancing the Vapour Recovery Unit (VRU) project. The VRU reached a significant milestone this year with the purchase of a long lead item, marking continued commitment to reducing flaring and fuel consumption.



Mereenie, Australia

The Mereenie JV has achieved a significant reduction in Scope 1 emissions [over 30% compared to FY22], largely due to the flare gas recovery compressor installed in late FY24. In FY25, the compressor operated continuously, diverting flare gas for use as fuel for field operations. In addition, the operator maintains an annual fugitive emissions survey program, supported by third-party measurements, with findings directly informing maintenance activities. Use of solar power and battery systems at well sites also supports emissions minimisation for ancillary operations.



Horizon Corporate

Horizon maintains an internal emission reduction register to track, assess and prioritise emissions reduction opportunities. This register is overseen by the SSC and is regularly reviewed to ensure accountability and to guide engagement with operators on emissions performance improvements.

D. NZ ETS and carbon offsets

Horizon remains an active participant in the New Zealand Emissions Trading Scheme (NZ ETS). As part of this commitment, we purchase and surrender New Zealand Units (NZUs) equivalent to 100% of Maari’s field emissions annually on an equity basis. This process ensures our alignment with New Zealand’s national target of Net Zero by 2050 and forms a key component of our carbon management strategy.

To further address emissions generated from our business travel, Horizon remained subscribed to a platform which automates carbon emissions calculations, reporting, and offsetting using methodologies recognised by Climate Active. During FY25, we surrendered a total of 165 carbon credits across verified projects including:

- SouthGlen Regeneration Project [Australia]
- Vaayu Wind Power Project [India]
- April Salamuei [REDD, Papua New Guinea]
- Kenilworth Human-induced Regeneration [HIR] Project [Australia]

These offsets support high-integrity projects focused on forest conservation and renewable energy generation, consistent with our commitment to credible emissions reduction. We continue to review and update our carbon offsetting program to ensure it reflects the highest standards of environmental integrity and supports our sustainability objectives.





E. Re-Vi Group
(formerly Nobrac Limited)

To contribute to global decarbonisation efforts and to build resilience to climate-change transition risks, Horizon is continuing to evaluate new business opportunities, including those in renewables, carbon removal and offsets.



Following extensive evaluation, Horizon made an AUD 2 million (USD 1.4 million) seed capital investment, in H1 FY23, to acquire an interest in Nobrac Limited, a subsidiary of Kiland Limited [KIL]. Nobrac, now rebranded as Re-Vi Group, is developing the Kangaroo Island Biochar project in South Australia to sequester approximately 2 million tonnes of CO2 from carbon embodied in approximately 4.5 million tonnes of the fire damaged biomass [standing timber] into approximately 960,000 tonnes of biochar over 12 years.

Biochar is a stable form of carbon, made from biomass, that can endure in soil for hundreds to thousands of years. Using biochar to bury carbon in the ground is a large-scale method to tackle global warming and, at the same time, significantly boost the soil productivity reducing the use of fertiliser and increasing soil water retention. Other agricultural benefits of Biochar include improving animal health through use as feedstock.

Re-Vi's Biochar project is a large scale, institutional-grade carbon dioxide removal [CDR] project that is expected to lead to real removal and sequestration of carbon, at the same time presenting a long-term opportunity to deliver cashflow and value for shareholders from Carbon Removal Credits [CRC], biochar product sales and company growth.



Sustainably processing 4.5 million tons of burned timber into biochar for carbon credits and for use by agriculture and industry



Permanently storing 2 million tons of carbon dioxide in biochar



Supporting the remediation of 20,000 hectares of agricultural land



Helping the people, fauna and flora of Kangaroo Island recover from the devastating 2020 bushfires



Deploy world-leading technology that can make biochar an at-scale climate solution

The Kangaroo Island Biochar project is facilitating the remediation of forestry estates destroyed by the bushfires of 2020 in a way that achieves the best possible outcomes for the population, fauna and flora. The project will also make a meaningful contribution to a number of UN Sustainable Development Goals as per the excerpt below from the *Re-Vi* website:



United Nations Sustainable Development Goals



TARGET 2.4 Ensuring sustainable food production and resilient agricultural practices.

When used as a soil amendment, biochar can sustainably improve soil health and agricultural productivity, thereby supporting food security.



TARGET 8.2 Achieving higher levels of economic productivity through diversification, technological upgrades and innovation.

Re-Vi projects will contribute towards technological innovation in carbon removal technologies in addition to employment and job growth, on Kangaroo Island and beyond.



TARGET 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Re-Vi's projects will contribute towards technological innovation in carbon removal technologies in addition to employment and job growth.



TARGET 12.2 Achieving the sustainable management and efficient use of natural resources.

Re-Vi's projects will promote efficient management of waste biomass, converting wood into biochar.



TARGET 15.3 Combating desertification, and restoring degraded land and soil.

Biochar production will avoid the clearing of forest via burning. Biochar's application to soil can improve water security, prevent land degradation and offer a pathway to restore already degraded lands.

FY25 saw the delivery of the initial 10 tonne per hour production unit. Re-vi engaged a specialist engineering firm to oversee the commissioning and start-up phase of the plant, given that it was a first-of-its-kind unit in terms of scale and mobility. This plant provided useful data and helped to identify enhancements which would present a more straightforward pathway to commercial production. The Company is progressing towards implementing these revised plans and gearing up for commercial production in the first half of the 2026 calendar year.

Reconciliation against TCFD Recommendations

GOVERNANCE <i>Disclose the organisation's governance around climate-related risks and opportunities</i>	
Board oversight of climate-related risks and opportunities.	Horizon discloses its governance and management framework for climate-related risks and opportunities on page 14 and 15.
Management role in assessing and managing climate-related risks and opportunities.	
STRATEGY <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material</i>	
Climate-related risks [opportunities and threats] identified over short, medium and long term.	Horizon discloses and defines climate-related risks and opportunities over the short, medium and long term on pages 22 and 23.
Impacts of climate-related risks, [opportunities and threats] on organisation's businesses, strategy and financial planning.	
Resilience of organisation's strategy taking into account different climate scenarios, including a 2°C scenario.	Horizon has modelled the resilience of its current asset portfolio applying three IEA and AEMO published scenarios. The results of our modelling are on page 24.
RISK MANAGEMENT <i>Disclose how the organisation identifies, assesses and manages climate-related risks</i>	
Processes for identifying and assessing climate-related risks.	Horizon sets out how it identifies, assesses and manages climate-related risks on pages 26 and 27.
Processes for managing climate-related risks.	
How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
METRICS AND TARGETS <i>Disclose the metrics and targets used to assess and manage the relevant climate related risks and opportunities where such information is material</i>	
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Horizon uses global oil price, carbon price forecasts and our own forecast oil production and carbon emissions to assess climate-related risks and opportunities in line with its strategy as described on page 25.
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Horizon reports its GHG emissions, and steps it is taking to reduce its emissions, on pages 28 to 30.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Horizon completed a new Materiality Assessment during FY25 and is developing fit-for-purpose goals, targets and initiatives for each of our newly identified material topics.

4. Glossary

AASB	Australian Accounting Standards Board	
ABS	American Bureau of Shipping	
AEMO	Australian Energy Market Operator	
ALARP	As low as reasonably practicable	
Beibu	Offshore oil production operation in the Beibu Gulf China, of which Horizon has a working interest	
BOISET	Basic Offshore Induction Safety and Emergency Training	
CDR	Carbon Dioxide Removal	
CLC	Central Land Council	
CRC	Carbon Removal Credit	
EAP	Employee Assistance Program	
EMP	Environmental Management Plan	
ESG	Environmental, Social and Governance	
ETS	Emissions Trading Scheme	
EV	Electric vehicle	
FPSO	Floating Production Storage and Offloading	
GHG	Greenhouse gas	
GHG Scope 1	Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organisation	
GHS Scope 2	Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.	
GHG Scope 3	Emissions which are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain	
GPG	Gas-powered generation	
GS00	Gas Statement of Opportunities	
GSA	Gas Sales Agreement	
HSE	Health, Safety and Environment	
HSSE	Health, Safety, Security and Environment	
IEA	International Energy Agency	

IEA APS	IEA's Announced Pledges Scenario (APS) outlines a trajectory for the energy sector if all national energy and climate pledges, including long-term net zero emissions goals, are met on time and in full.
IEA NZE 2050	IEA's Net Zero Emissions by 2050 scenario (NZE 2050) portrays a pathway in which the energy sector achieves net zero carbon dioxide (CO ₂) emissions globally by 2050, in line with limiting the long-term global average temperature to 1.5 degrees Celsius [°C], along with achieving universal energy access by 2030 and air quality objectives.
IEA STEPS	IEA's Stated Policies Scenario (STEPS) provides a sense of the prevailing direction of travel for the energy system, based on a detailed assessment of current policy settings.
IPIECA	International Petroleum Industry Environmental Conservation Association
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
JV	Joint venture
Lost Time Injury	Occurrences that resulted in a fatality, permanent disability or time lost from work of one day/shift or more. These exclude medical treatment cases, restricted work cases and first aid cases.
LTIFR	Lost Time Injury Frequency Rate = Lost Time Injuries per million hours
Maari	Offshore oil production operation in the Taranaki Basin New Zealand, of which Horizon has a working interest
Material Risks	IPIECA defines a 'material issue' as any topic, that in the view of management or stakeholders, affects a company's performance significantly and informs external opinion. They tend to be issues that most affect value creation and the economic and reputation resilience of a company in a positive or negative way
Medical Treatment Injury	Any work-related loss of consciousness, injury or disease requiring more than minor first aid treatment by medical practitioner or registered medical personnel but not resulting in lost time or restricted work duties
Mereenie	Mereenie Oil and Gas Field in the Amadeus Basin, onshore Australia, of which Horizon has a working interest
NSESVA	National State Emergency Service Volunteers Association
NGER	National Greenhouse and Energy Reporting
NOPSEMA	National Offshore Petroleum & Environmental Management Authority
NZU	New Zealand Units
NZ ETS	New Zealand Emissions Trading Scheme
ONEP	Office of Natural Resources and Environmental Policy and Planning
OPITO	Offshore Petroleum Industry Training Organisation

PHEV	Plug-in hybrid electric vehicles
Recordable Injuries	Lost Time Injuries + Medical Treatment Injuries + Restricted Work Injuries
Restricted Work Injury	An injury or occupational illness that results in the injured person being assigned to a work assignment after the day the accident occurred, where this assignment does not include all the other normal duties of the person's regular job
SES	State Emergency Services
SSC	Sustainability Steering Committee
TCFD	Taskforce on Climate-related Financial Disclosures
TRIFR	Total Recordable Injury Frequency Rate = Total Lost Time Injuries per million hours
UN SDG	United Nations Sustainable Development Goals
VRU	Vapour Recovery Unit
WHP	Well Head Platform
WHS	Workplace Health and Safety

For more information or to see past Sustainability Reports, please visit horizonoil.com.au

All Maari, New Zealand images by Neil Bordoloi. The cover page features an image of Steven Weir, a Rope Access Welder/Fabricator with Coastal Services, working on the Maari Field.

Mereenie, Australia photographs courtesy of Central Petroleum.

The background is a solid teal color with several white, wavy, concentric lines on the left and right sides, creating a sense of depth and movement.

HORIZON

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