Horizon Petroleum Ltd.: Provides An Operations Update Of Its Preparation For First Production In Poland

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Horizon Petroleum Ltd. (the "Company" or "Horizon") (TSXV: HPL) (FRA: HPM) (Tradegate: HPM) is pleased to provide an operations update on progress made towards first production from its cornerstone Lachowice gas development in the Bielsko-Biala concession, southern Poland.

Since being granted the Cieszyn and Bielsko Biala licences on November 19, 2024 by the Polish government, the Company has been preparing for the planned workover at the Lachowice 7 ("L7") well and subsequent installation of an early production and sales facility.

Assuming a successful workover result, gas and/or electrical power sales from the L7 well will provide the Company with its first cashflow and will provide a long-term test of the production performance of the naturally fractured, Devonian aged, limestone and dolomite reservoirs in the L7 well.

Preparatory work for the L7 workover:

- Excavation of the L7 wellhead and cellar is complete, confirming the integrity of primary and secondary seals necessary for reactivation of the well.
- Long lead time materials and services have been identified and are being sourced.
- An Environmental Impact Assessment Study for the L7 workover has been prepared, submitted to the Ministry of Climate and the Environment (the "Ministry"). The preliminary response from the Ministry has been positive and the Ministry has indicated that the full approval is anticipated in April/May 2025.
- Surface lease agreements have been signed with all landowners around the L7 well location.
- Local government authorities have approved the construction of the L7 workover site and the Company can now proceed with the required civil works. Tendering for the field work is expected to start this month.
- An official request to move the overhead electrical line that crosses the L7 lease has been approved. It is anticipated that the line will be moved by end May 2025. An electrical contracting company has been engaged and will complete the field work. Completion of this work will then allow the Company to proceed with the civil construction works to build the lease to accommodate the workover rig and associated equipment.
- Execution of the L7 workover is still on-schedule and anticipated for July/August of this year.

Early Production System (EPF)

The Company hired an Electrical Engineering company and a Mechanical Engineering company in Poland to review options to monetize gas production from the Lachowice gas field. The options considered were:

- Gas to Power: approximately 1.5mmscf/d gas stream from L7 is processed and fed into an electrical generation facility with a nominal generation capacity of 6MW. This electricity can be tied into existing local grids at a number of locations within 4km of the L7 location.
- Gas Tie-in: A third-party evaluation has identified a high-pressure gas grid tie-in point approximately 12 km northeast of L7, half the distance of the previous plan, which is expected to result in greatly reduced pipeline costs and faster approvals.
- Liquified Natural Gas (LNG) or Compressed Natural Gas (CNG): Exploring trucking and marketing options for moving LNG or CNG to nearby sales points.
- The preliminary design of the gas processing facility that will be required to separate the liquid condensate and any free water from the L7 gas stream has been completed. The Company has commenced sourcing the required vessels and other process equipment.

Technical Evaluation Work:

- The Company has contracted a technical team of geoscientists, reservoir engineers and petroleum engineers in both Poland and Canada. This team will conduct the geological and geophysical evaluations to support the development at Lachowice and to assess the appraisal and exploration potential of the Bielsko-Biala and Cieszyn concessions. Preliminary planning of a 3D seismic survey has commenced in the Bielsko-Biala concession that will provide a more precise, detailed image of the Lachowice subsurface geological structure. The 3D seismic will also be required to optimally locate wells in a second phase, full-field development drilling program.

Outlook:

The L7 workover is still on schedule to be completed by late summer/early fall of this year. A detailed program has been completed and will be submitted to the local Polish Mining Authority for their approval this month. The workover program will consist of:

1. Upgrade the wellhead to execute the workover and ready for production.
2. Drill out two existing cement plugs in the wellbore
3. Pressure test the existing wellhead to ensure wellbore security and integrity
4. Drill and recover an existing packer located above the zone that originally tested up to 8.9mmscf/d gas
5. Reperforate, acid stimulation and production test of this same zone
6. Complete the well for production once the EPF is installed and ready for operations.

The Company is targeting gas/electricity sales and first cash flow by Q1, 2026.

About Horizon Petroleum Ltd.

Calgary-based Horizon is focused on the appraisal and development of natural gas and oil reserves in Europe. The Management and Board of Horizon consist of oil & gas professionals with significant international experience.

Website: www.horizon-petroleum.com

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