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NEWS RELEASE

HORIZON PETROLEUM LTD. ANNOUNCES CONVERTIBLE DEBENTURE FINANCING

Calgary, Alberta –October 27, 2025 – Horizon Petroleum Ltd. (the “Company” or “Horizon”) (TSX-V: HPL) is pleased to announce the launch of a financing of convertible debentures. The convertible debenture financing takes the form of a private placement offering (the "Offering") in the aggregate principal amount of up to \$3,000,000 of secured convertible debentures (each, a "Debenture") at a price of \$1,000 per Debenture. The debentures will be second position secured behind the \$720,000 of debentures issued in May 20, 2025 and due May 20, 2026 (the “May 2025 Debentures”).

David Winter, CEO of the Company commented: “This financing will allow Horizon to pay the final payment to San Leon Energy for the acquisition of our 100% wholly owned Polish subsidiary companies that hold the Bielska-Biala and Cieszyn Concessions in Southern Poland. Additionally, the proceeds will pay for the long lead items and civil works for the planned re-entry of the Lachowice 7 gas well and provide working capital for general corporate purposes in Poland and in Canada”.

The Debentures bear interest from the applicable issuance date at 15% per annum until the date that is 24 months following the closing date (the "Maturity Date"). The closing date is anticipated to be November 30, 2025. The principal amount of the Debentures can be convertible into units of the Company (the "Units") at the option of the holder at any time prior to the close of business on the last business day immediately preceding the Maturity Date, at a conversion price of \$0.10 per Unit (the "Conversion Price"), subject to adjustment in certain events.

Each Unit is comprised of: (i) one common share of the Company (each, a "Common Share"); and (ii) one half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable to acquire one Common Share at an exercise price of \$0.15 per Common Share, subject to adjustment in certain events, until 36 months from the Debenture closing date.

Certain directors and officers of the Company (collectively, the "Insiders") are expected to participate in the Offering, and, as such, the Offering constitutes a related party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), but is otherwise exempt from the formal valuation and minority approval requirements of MI 61-101 by virtue Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of such Insider participation. No special committee was established in connection with the Offering or the participation of the Insiders, and no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. Further details will be included in a material change report that will be filed by the Company in connection with the completion of the initial closing of the Offering.

Closing and the participation of Insiders in the Offering remains subject to the approval of the TSXV.

The Company may pay finders fees or commissions for this transaction of up to 7% in cash and 7% warrants.

The closing of the Offering is subject to the satisfaction of customary conditions, including the approval of the TSXV. All securities issued under the Offering remain subject to a statutory four month hold period.

In connection with the Offering and conditional on closing of new Debentures, the Company intends to amend the exercise price of the 3,775,000 warrants issued in connection with the May 2025 Debentures (the “May Warrants”). The May Warrants currently have an exercise price of \$0.20 per share. The Company intends to amend the price of these May Warrants to \$0.15 per share to match the warrants underlying the Debentures and Offering (the “Warrant Amendment”).

The Warrant Amendment is subject to TSXV approval.

Horizon holds Debentures, and, as such, the Warrant Amendment may constitute a related party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), but is otherwise exempt from the formal valuation and minority approval requirements of MI 61-101 by virtue Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of such Insider participation. No special committee was established in connection

with the Warrant Amendment, and no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. Further details will be included in a material change report that will be filed by the Company in connection with the completion of the Warrant Amendment.

ABOUT HORIZON

Calgary-based Horizon is focused on the appraisal and development of conventional oil & natural gas resources onshore Europe. Horizon holds two concessions in Poland which contain significant undeveloped natural gas discoveries. The Company's initial focus is to commence development of the Lachowice gas field in the Bielska-Biala concession. The Management and Board of Horizon consist of oil & natural gas professionals with significant international experience.

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Forward-Looking Information

This press release contains forward-looking information within the meaning of Canadian securities laws (collectively "**forward-looking statements**"). Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, plans, postulate and similar expressions, or are those, which, by their nature, refer to future events. All statements that are not statements of historical fact are forward-looking statements. Forward-looking statements in this press release include but are not limited to statements regarding, the financing of its projects in Poland. Although the Company believes any forward-looking statements in this press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, changes in the state of equity and debt markets, fluctuations in commodity prices, delays in obtaining required regulatory or governmental approvals, and other risks involved in the oil and gas exploration and development industry, including those risks set out in the Company's management's discussion and analysis as filed under the Company's profile at www.sedarplus.ca. Forward-looking information in this news release is based on the opinions and assumptions of management considered reasonable as of the date hereof, including that all necessary governmental and regulatory approvals will be received as and when expected. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information. The Company disclaims any intention or obligation to update or revise any forward-looking information, other than as required by applicable securities laws.

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