Horizon Petroleum Ltd. Announces Proposed $2,000,000 Secured Grid Promissory Note and Close of Its Shares for Debt Settlement

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CALGARY, ALBERTA, October 22, 2026. Horizon Petroleum Ltd. (the "Company" or "Horizon") (TSX-V: HPL, FRA: HPM, Tradegate: HPM) is pleased to announce that it intends to enter into a secured grid promissory note (the "Promissory Note") with Wilco Investments Ltd., a company controlled by Trevor Williams who is a director of the Company, in the aggregate principal amount of up to CAD $2,000,000.

The proceeds will be used to make deposits on three generators and on production facilities. The generators will have a combined generating capacity of 3 megawatts. This equipment is Horizon's next investment in its gas to power strategy for its Lachowice natural gas development in Poland.

The Promissory Note will bear interest from the applicable issuance date at 12% per annum. The Promissory Note and accrued interest will be due on December 31, 2026 (the "Maturity Date"). The Maturity Date may be extended by mutual agreement between the parties. The Promissory Note may be prepaid in whole or in part at any time without penalty. The Promissory Note will be immediately due and payable upon completion by the Company of a financing of equity or debt of CAD $5,000,000 or more. The Promissory Note will be secured by Horizon's electrical generating equipment in Poland.

The closing date is anticipated to be October 22, 2026.

Entering into the Promissory Note and the advance of funds thereunder are subject to the satisfaction of customary conditions, including the approval of the TSXV.

As Trevor Williams is a director of the Company, the Promissory Note will constitute a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company intends to rely on the exemption from the formal valuation requirement pursuant to section 5.5(b) of MI 61-101 as the Company does not have securities listed on a specified market, and on the exemption from the minority shareholder approval requirement pursuant to section 5.7(1)(a) of MI 61-101 as the fair market value of the Promissory Note will not exceed 25% of the Company's market capitalization.

In addition, the Company announces that it has completed an agreement to settle a total of CAD $524,000 of the Company's debt (the "Debt") with certain arm's length and non-arm's length parties (the "Shares for Debt Settlement"). The Debt payable to directors and officers of the Company who are Insiders (as such term is defined under the policies of the TSXV) is an aggregate of CAD $465,000 and the Company will settle the same by issuing to such parties 2,657,143 common shares at a deemed price of CAD $0.175 per common share. The Debt payable to arm's length service providers is an aggregate of CAD $59,000 and the Company will settle the same by issuing to such parties 337,143 common shares at a deemed price of $0.175 per common share.

The Shares for Debt Settlement was approved by disinterested shareholders at the shareholder meeting held on July 28, 2026. All securities issued in connection with the Shares for Debt Settlement will be subject to a statutory four-month hold period in accordance with applicable securities legislation.

The Company has received final approval for the Shares for Debt Settlement from the TSXV.

The Company relied on exemptions from the formal valuation and minority approval requirements of sections 5.5(b) and 5.7(1)(a) of MI 61-101 in respect of such insider participation in the Shares for Debt Settlement, based on a determination that fair market value of the participation by insiders did not exceed 25% of the market capitalization of Horizon, as determined in accordance with MI 61-101.

About Horizon Petroleum Ltd.

Calgary-based Horizon Petroleum Ltd. is focused on the appraisal and development of natural gas resources and clean energy opportunities in Europe, with the objective of contributing to European energy independence and security. Horizon is advancing its Polish natural gas assets through a technically focused, phased development strategy designed to unlock their commercial potential. Horizon's management team and Board of Directors comprise oil and gas, business and finance professionals with significant international experience.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Horizon. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or be achieved. This press release contains forward-looking statements pertaining to, among other things, the Company entering into the Promissory Note, the terms of the Promissory Note, the anticipated closing date, reliance on exemptions under MI 61-101, the anticipated use of proceeds and the approval of the TSX-V.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and in some instances, to differ materially from those anticipated by Horizon and described in the forward-looking information contained in this press release.

Although Horizon believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance.

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