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Horizon Petroleum Ltd.

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HORIZON PETROLEUM CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

Horizon Petroleum Ltd. ("**Horizon**" or the "**Company**") (TSXV: HPL) announces that it has closed the first tranche of its previously announced private placement, as announced on April 20, 2016, and as amended July 18, 2016 (the "**Offering**"). The Company issued, in the aggregate, 3,200,000 units for gross proceeds of $160,000. Each unit was priced at $0.05 per unit and was comprised of one common share of the Company ("**Common Share**") and one share purchase warrant with each warrant entitling the holder to purchase an additional Common Share at a price of $0.075 per share for a period of 2 years from closing. All of the first tranche units are subject to a hold period expiring on December 3, 2016.

The Company paid $7,200 and issued 144,000 finder's warrants ("**Finder's Warrants**") to PI Financial Corp. as a finder's fee on a portion of the first tranche. Each Finder's Warrant entitles the holder to purchase an additional Common Share at a price of $0.075 per share for a period of 2 years from closing.

Proceeds from the Offering will be used for general working capital purposes. The Company expects to close one or more additional tranches of the Offering during the next few weeks, for a total of up to $2 million.

Insiders of the Company participated and are expected to participate in the Offering (the "**Insider Participation**") which is considered a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**"). The Offering is exempt from the need to obtain minority shareholder approval and a formal valuation as required by MI 61-101 as the Company is listed on the TSX Venture Exchange and the fair market value of any units to insiders or the consideration paid by insiders of the Company did not exceed 25% of the Company's market capitalization. No new insiders are anticipated to be created, nor will there be any change of control as a result of the Offering.

The Company relies on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of such Insider Participation.

About Horizon Petroleum Ltd.

Calgary-based Horizon is focused on the appraisal and development of oil & gas reserves internationally. The management and board of Horizon consists of seasoned oil & gas professionals, with significant international experience.

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This press release contains forward-looking statements and forward-looking information (collectively, "forward looking statements") within the meaning of applicable Canadian and United States securities laws. All statements, other than statements of historical fact, included herein, including statements regarding the anticipated financings or business and financing plans and trends, are forward looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions or are those which, by their nature, refer to future events. Although the Company believes that such statements are reasonable, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements. Important factors that could cause actual events and results to differ materially from the Company's expectations include those related to fluctuations in commodity prices and uncertainties about the availability of additional financing. Risks and uncertainties are more fully described in the Company's filings made with Canadian securities regulatory authorities and available at www.sedar.com. While the Company believes that the expectations expressed by such forward-looking statements and forward-looking information and the assumptions, estimates, opinions and analysis underlying such expectations are reasonable, there can be no assurance that they will prove to be correct. In evaluating forward-looking statements and information, readers should carefully consider the various factors which could cause actual results or events to differ materially from those expressed or implied in the forward looking statements and forward-looking information.

This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.