

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item One – Name and Address of Company

Horizon Petroleum Ltd. (the “**Company**”)
920, 540 - 5th Avenue SW
Calgary, Alberta T2P 0M2

Item Two – Date of Material Change

May 20, 2025

Item Three – News Release

The news release reporting the material change described in this report was issued in Calgary, Alberta on May 20, 2025 through the newswire services of Cision and was filed via SEDARPlus (the “**News Release**”). The News Release is attached hereto as Schedule “A” and incorporated by reference herein.

Item Four – Summary of Material Change

The Company announced that, subject to TSX Venture Exchange acceptance, it has closed a Secured Non-Convertible Debenture of 720,000 debenture units of the company at a price of \$1 per unit, for aggregate gross proceeds of \$720,000. Eight (8) investors subscribed for the financing.

Item Five – Full Description of Material Change

For a full description of the material change, please see the News Release attached hereto as Schedule “A” which News Release forms an integral part of this material change report.

Item Six – Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item Seven – Omitted Information

Not Applicable.

Item Eight – Executive Officer

David Winter, Chief Executive Officer, 403.619.2957

Item Nine – Date of Report

May 21, 2025

SCHEDULE "A"

News Release



NEWS RELEASE

May 20, 2025

HORIZON PETROLEUM LTD. CLOSES DEBENTURE UNIT OFFERING

CALGARY, ALBERTA – Horizon Petroleum Ltd. (TSXV: HPL, FRA: HPM, Tradegate: HPM) ("Horizon" or the "Company") is pleased to announce that, subject to TSX Venture Exchange acceptance, it has closed a Secured Non-Convertible Debenture of 720,000 debenture units of the company at a price of \$1 per unit, for aggregate gross proceeds of \$720,000. Eight (8) investors subscribed for the financing.

Each unit consists of an aggregate of \$1 principal amount of secured subordinated debentures and 5 common share purchase warrants.

The debentures total \$720,000 and will mature one year following the closing of the offering on May 20, 2026 and are not convertible into equity securities of the Company. The debentures will bear interest at a rate of 15 per cent per annum until the maturity date. The Company may prepay the debentures at any time prior to the maturity date.

The warrants total 3,600,000 and each warrant is exercisable into one common share in the capital of the Company at a price of \$0.20 per share for a period of one year from the closing of the offering on May 20, 2026.

In connection with the Offering, the Company has paid a total of \$35,000 in finder's fees and issued a total of 175,000 finders warrants ("Finders Warrants"). Each Finders Warrant entitles the holder to acquire one Common Share at a price of \$0.20 per Common Share and shall expire 12 months from the date of issuance on May 20, 2026.

The company intends to use the proceeds from the offering for the purchase of long lead items for its planned workover operations in the initial development of the Lachowice gas field in southern Poland, and for general working capital purposes, general and administrative expenses. All securities issued under the offering, including securities issuable on exercise thereof, are subject to a hold period expiring four months and one day from the date hereof.

Multilateral Instrument 61-101 – Related Party Transactions

The spouse of a Director and Officer of the Corporation, subscribed for 25,000 Units with the same terms which constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61- 101, as the fair market value of the participation in the Debenture Unit Offering by Directors and Officers does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the anticipated closing of the Debenture Unit Offering, which the Company deems reasonable in the circumstances to complete the Debenture Unit Offering in an expeditious manner.

The offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange. The financing was treated as a loan with bonus warrants by the TSX Venture Exchange.

ABOUT HORIZON

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

For further information about the Company, please contact:

Dr. David Winter, CEO, +1 403 619-2957, dawinter@horizon-petroleum.com;

Ian Habke, CFO and Vice President Finance, +1 403 973-2900, ian.habke@horizon-petroleum.com

Neither 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 pertaining to, among other things, the anticipated use of proceeds, the completion of the offering, 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available.