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Horizon Petroleum Commences Field Well Production Testing Operations at Lachowice in Poland and Closes Oversubscribed Convertible Debenture Financing

Calgary, Alberta – July 23, 2026 – Horizon Petroleum Ltd. ("Horizon" or the "Company") (TSX-V: HPL; FRA: HPM; Tradegate: HPM) is pleased to announce that its wholly owned Polish subsidiary, Energia Karpaty Zachodnie sp. z o.o. ("EKZ"), has executed a drilling and services contract with Exalo Drilling S.A. (“Exalo”) for the re-entry, recompletion, stimulation and production flow testing of the Lachowice-7 ("L7") well located within the Company's 100%-owned Bielsko-Biała concession in southern Poland.

Exalo has confirmed that rig mobilization is scheduled to commence on July 27, 2026, with field operations expected to begin on or about August 1, 2026. Concurrent with the execution of the rig contract, EKZ has also received the final regulatory approval required to commence operations. The Polish Mining Authority has approved the L7 operational work program ("Plan Ruchu"), completing the permitting process for the planned workover.

With the recent successful closing of the Company's financings, construction of the access road and wellsite, execution of the drilling contract, landowner access agreements and receipt of all required regulatory approvals, Horizon has now completed all critical pre-operational milestones and is ready to commence field operations.

The L7 workover program is designed to confirm the long-term production flow potential of the naturally fractured carbonate reservoir at Lachowice. The work program is as follows:

- Re-enter the wellbore and remove the existing mechanical and cement suspension plugs;
- Pressure test and verify the mechanical integrity of the wellbore;
- Re-perforate and prepare the well for recompletion in the Upper Devonian aged naturally fractured reservoir; and
- Stimulate using a diverted acid stimulation and production test the reservoir to confirm sustainable production flow performance.

Subject to the successful removal of the suspension plugs and confirmation of wellbore integrity, stimulation and production testing are expected to commence near the end of August and continue into early September 2026.

Dr. David Winter, Chief Executive Officer of Horizon, commented: "Reaching the operational phase of the Lachowice project represents a significant milestone for Horizon. Our technical and operations teams in Poland and Calgary have put a great deal of effort into the technical planning, engineering and permitting for the operations at Lachowice. As we have previously reported, the Company has so far recognized, NI 51-101 compliant, 2P reserves of 34 BCF and an additional 163 BCF of Risked, 2C, Contingent Resources at Lachowice, with over 1.2 TCF of Gas in Place[1]. This production test is the first step in our phased development plan to convert this reserve potential into commercial production, targeting initial cashflow in early Q3 2027. We appreciate the support we have received from the Polish Ministry and local authorities, our neighbours at Lachowice and our shareholders throughout this process. We look forward to executing the workover safely and efficiently and to confirming the long-term production capability of the Lachowice gas accumulation, which we believe has the potential to become a significant new domestic source of natural gas for Poland."

The Company will provide additional updates as operations progress.

[1].APEX Global Engineering Inc. ("APEX") prepared the Reserves and Resource Report with an effective date of August 31, 2025 (issue date of February 23, 2026). Apex is an independent qualified reserve evaluator. See the Form 51-101F1 filed on SEDAR+ on March 2, 2026 for the full particulars of the oil and gas disclosure.

Oversubscribed Debenture Financing

The Company is also pleased to announce that, further to its release dated July 15, 2026 and subject to TSX Venture Exchange final acceptance, it has closed its oversubscribed, secured, convertible debenture units offering (“Secured Convertible Debenture Units”) of the company at a price of $1,000 per unit, for aggregate gross proceeds of $681,000. The Company issued 681 Units.

The convertible debentures bear interest from the closing date of July 23, 2026 at 7% per annum until the date that is 36 months following the closing date (the "Maturity Date") with interest paid semi-annually in arrears in cash or in shares at the Company’s option. The Convertible Debenture will be secured and ranking on default in fourth position behind the currently issued convertible debentures due on December 19, 2027, December 29, 2027 and February 27, 2028 (“Series 1 Debentures”), the convertible debentures due on March 25, 2028 (“Series 2 Debentures”), and the convertible debentures due on April 13, 2028 and April 24, 2028 (“Series 3 Debentures”).

Each holder of a Secured Convertible Debenture Unit shall have the right, at its option, at any time up to and including the Maturity Date, to convert any or all of the Secured Convertible Debenture Units into equity units (“Equity Units”) on the basis of each $1,000 principal amount for (i) 5,000 common shares of the Corporation (each a “Common Share”) issued at $0.20 per Common Share, and (ii) 2,500 Common Share purchase warrants (“Warrants”), with each Warrant exercisable until thirty-six months from closing the Debentures, into one (1) Common Share at a price of $0.40.

This is a correction of our July 15, 2026 press release that described each unit as comprising of one common share and one half of a common share purchase warrant. The total number of potential shares issued on conversion and warrant exercise remains unchanged.

The Company paid finder’s fees of $47,670 cash and 238,350 finder warrants with an exercise price of $0.20 per warrant with an expiry date of July 23, 2028.

The company intends to use the proceeds from the offering to complete the workover and production testing of the Lachowice 7 gas well, pay work program obligations in the Cieszyn concession and provide working capital for general corporate purposes in Poland and in Canada.

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.

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 Petroleum Ltd.

Calgary-based Horizon is focused on the appraisal and development of natural gas reserves and clean energy sources to increase energy independence and security in Europe. The Management and Board of Horizon consist of oil & gas, business and finance professionals with significant international experience.

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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" 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.

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.

Oil and Gas Disclosure

Reserves *are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from the effective date under defined conditions. Reserves must be discovered, recoverable, commercial, and remaining as of the effective date based on the development projects applied. Reserves are further categorized into Proven, Probable and Possible according to the level of certainty associated with the estimates and may be sub-classified based upon production status and project maturity.*

Reserves are classified according to the degree of certainty associated with the estimates. Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be commercially recoverable from known accumulations, from a given date forward, based on:

- *analysis of drilling, geological, geophysical, and engineering data;*
- *the use of established technology;*
- *and economic conditions, which are generally accepted as being reasonable, and shall be disclosed.*

Proved Reserves *(1P) are those reserves that can be estimated with a high degree (>= 90%) of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.*

Probable Reserves *(2P) are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.*

Possible Reserves *(3P) are those additional reserves that are less certain (<=10%) to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.*

Resources *are defined in the COGE Handbook Volume 1, section 5 as follows:*

Contingent Resources *are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied projects are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.*

Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources; the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be sub classified based on project maturity and/or characterized by their economic status.

Not all technically feasible development plans will be commercial. The commercial viability of a development project is dependent on the forecast of fiscal conditions over the life of the project. For Contingent Resources, the risk component relating to the likelihood that an accumulation will be commercially developed is referred to as the “chance of development.” For contingent resources, the chance of commerciality is equal to the chance of development.

SELECTED ABBREVIATIONS

Unless otherwise indicated or the context otherwise requires, the following abbreviations shall have the meaning set forth below:

Crude Oil and Natural Gas Liquids

Bbls/d	*barrels of oil per day*
Bbls or Bbl	*barrels of oil*
Boe	*barrel of oil equivalent*
Boe/d	*barrel of oil equivalent per day*
Mbbls	*thousand barrels*
MBoe	*thousand barrels of oil equivalent*
NGL	*natural gas liquids*
Bbl/MMcf	*barrels of oil per million cubic feet*
$/Mcf	*dollars per thousand cubic feet*

Natural Gas

cf	*cubic feet*
Mcf	*thousand cubic feet*
Mcf/d	*thousand cubic feet per day*
Mcfe	*thousand cubic feet of gas equivalent*
Bcf	*billion cubic feet*
Bcfe	*billion cubic feet equivalent*
Bcm	*billion cubic metres*
MMbtu	*million British thermal units*
MMcf	*million cubic feet*
Mcm	*million cubic metres*
MMcf/d	*million cubic feet per day*
TCF	*trillion cubic feet*