

HORIZON PETROLEUM ENTERS INTO REACTIVATION AGREEMENT AND LOAN AGREEMENT

Calgary, Alberta, December 23, 2020 - Horizon Petroleum Ltd. (TSXV: HPL) ("Horizon") is pleased to announce that it has entered into a Reactivation Agreement and a Loan and Security Agreement with an arm's-length company listed on the TSX Venture Exchange for the purpose of re-activating Horizon. Horizon is currently subject to a cease-trade order ("CTO") issued by the Alberta Securities Commission on January 6, 2020 for failure to file various continuous disclosure documents, and trading in Horizon's shares was suspended by the TSX Venture Exchange ("TSXV") pursuant to a Bulletin issued on January 7, 2020.

Under the Loan and Security Agreement, Horizon will borrow \$75,000, to be used solely for the purpose of paying certain accounts payable in connection with the proposed reactivation. The loan bears interest at an annual rate of 10%, has a term of one year, and is secured by a security interest to and in favour of the lender in all of Horizon's present and after-acquired personal property.

The Reactivation Agreement provides, among other things, that (i) Horizon will prepare and file all continuous disclosure documents necessary to obtain the lifting of the CTO and the reinstatement of trading of Horizon's shares on the TSXV; (ii) at such time as the CTO is lifted, Horizon will effect a "best efforts" private placement in a minimum amount of \$250,000, to provide working capital for future operations and in order to obtain the reinstatement of trading on the TSXV; (iii) no later than the closing date of the private placement, or such earlier date as may be chosen by the arm's-length listed company in its sole discretion, the current directors of Horizon will resign and will be replaced by directors nominated by the listed company; and (iv) at such time as Horizon has filed audited financial statements for its fiscal years ended August 31, 2019 and August 31, 2020, respectively, on SEDAR, Horizon will call an annual meeting of shareholders.

The reinstatement of trading in Horizon's shares on the TSXV is subject to the approval of the TSXV. The lifting of the CTO is subject to the approval of the Alberta Securities Commission.

About Horizon Petroleum Ltd.

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.

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

Caution Regarding Forward-Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. More particularly and without limitation, this press release contains forward-looking statements and information regarding the proposed reactivation of Horizon (the "Reactivation"). Except as may be required by Canadian securities laws, Horizon does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from the expectations of Horizon expressed in or implied by

such forward-looking statements. As a result, Horizon cannot guarantee that any forward-looking statements will materialize, or if any of them do, what benefits Horizon will derive from them. In respect of forward-looking statements and information concerning the Reactivation, Horizon has provided such statements and information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of Horizon to receive, in a timely manner and on satisfactory terms, the necessary regulatory approvals and, if applicable, shareholder approval, and other expectations and assumptions concerning the Reactivation. Although Horizon believes that the expectations reflected in these forward-looking statements are reasonable, it cannot give any assurance that these expectations will prove to have been correct, that the Reactivation will be completed or that it will be completed on the terms and conditions contemplated in this press release. Accordingly, investors and others are cautioned that undue reliance should not be placed on any forward-looking statements.

Risks and uncertainties inherent in the nature of the Reactivation include, without limitation, the failure of Horizon to obtain the necessary regulatory approvals and, if applicable, shareholder approval or to otherwise satisfy the conditions for the completion of the Reactivation; failure of Horizon to obtain such approvals in a timely manner; significant costs or unknown liabilities related to the Reactivation; and the failure to realize the expected benefits of the Reactivation. Failure to obtain the necessary regulatory approvals and, if applicable, shareholder approval, or the failure of Horizon to otherwise satisfy the conditions for the completion of the Reactivation, may result in the Reactivation not being completed on the proposed terms or at all. Consequently, Horizon cautions readers not to place undue reliance on the forward-looking statements and information contained in this press release.

No Solicitation

This announcement is for informational purposes only and does not constitute a solicitation to purchase Horizon shares.