

Horn Petroleum Third Quarter 2012 Results

HORN PETROLEUM THIRD QUARTER 2012 RESULTS

VANCOUVER, BRITISH COLUMBIA--(Marketwire - Nov. 20, 2012) - Horn Petroleum Corporation (TSX VENTURE:HRN)("Horn" or the "Company") is pleased to announce its results for the third quarter of 2012.

- During the nine months ended September 30, 2012, Horn increased its investment in intangible exploration assets by \$30.0 million. The majority of the costs incurred during 2012 related to drilling the Shabeel-1 and Shabeel North-1 exploration wells in the Dharoor Valley block. The remaining expenditures are PSA related expenditures and general and administrative costs. The Company and its Partners fulfilled the initial exploration period work commitments under the Dharoor Valley and Nugaal Valley PSAs with the drilling of the Shabeel wells.
- While the Company was disappointed that the first two exploration wells in Puntland (Somalia) did not flow oil, the Company remains highly encouraged that all of the critical elements exist for oil accumulations. Horn recently completed demobilization of the drilling rig and associated equipment and both well sites have been restored to original condition.
- Horn and its partners have entered into the next exploration period in both the Dharoor Valley and Nugaal Valley PSAs which each carry a commitment to drill one exploration well in each block by October 2015.
- Efforts are now focused on making preparations for a seismic acquisition campaign in the Dharoor PSA which will include a regional seismic reconnaissance grid in the previously unexplored eastern portion of the basin as well as prospect specific seismic to delineate a drilling candidate in the western portion of the basin where an active petroleum system was confirmed by the recent drilling at the Shabeel-1 and Shabeel North-1 locations.
- Operating expenses of \$0.5 million were recorded during the third quarter of 2012 (\$1.6 million during the nine months ended September 30, 2012). These were offset by finance income of \$23.0 million during the third quarter of 2012 (\$9.0 million during the nine months ended September 30, 2012). Finance income primarily relates to fair market value adjustments of the Company's warrant liabilities. These fair market value adjustments are performed as the Company has an obligation to issue shares for a price (denominated in Canadian dollars) that is not fixed in the Company's functional currency (United States dollars).
- As at September 30, 2012, the Company had cash of \$16.1 million and working capital of \$12.4 million as compared to cash of \$27.6 million and working capital of \$25.9 million at December 31, 2011. The Company's liquidity and capital resource position has been reduced during 2012 primarily due to expenditures incurred on the drilling of the Shabeel-1 and Shabeel North-1 exploration wells offset partially by the non-brokered private placement which raised CAD\$15.0 million in June 2012.
- Horn continues to investigate potential joint venture partnerships and also is reviewing new venture opportunities in the region.
- The Board has approved granting 2,820,000 incentive stock options to certain directors, officers and other eligible persons of the Company. The options will have a three year term, vesting provisions consistent with the existing outstanding options, and will be priced at \$0.32 per share (or the closing price on November 21, 2012 if higher).

Horn President and CEO, David Grellman, commented, "We remain very encouraged by the exploration potential of our Jurassic rift basins in Puntland. We have committed to the next exploration phase in both PSAs and plan to aggressively explore both areas to confirm this potential. We are also optimistic that the political progress in Somalia will continue and allow oil and gas exploration in the region to expand."

Horn holds a 60% working interest in the Dharoor and Nugaal Valley blocks and is the operator. The other partners in the blocks are Range Resources (20%) and Red Emperor (20%). Africa Oil Corporation holds an approximate 45% equity interest in Horn.

Horn Petroleum Corporation is a Canadian oil and gas company with assets in Puntland, Somalia. The Corporation holds a 60% interest and operatorship in the Dharoor and Nugaal blocks encompassing a Jurassic Rift Basin on trend and analogous to the large oil fields in Yemen. The Corporation's shares are listed on the TSX Venture Exchange under the symbol "HRN".

ON BEHALF OF THE BOARD

David Grellman, President and CEO

FORWARD LOOKING INFORMATION

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "will", "expected" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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Horn Petroleum Corporation
Sophia Shane
Corporate Development
(604) 689-7842
(604) 689-4250 (FAX)
hornpetroleum@namdo.com
www.hornpetroleum.com

<https://africaenergycorp.mediaroom.com/index.php?s=2429&item=122525>