



(TSX.V: PHE) (Frankfurt: PH0) (Pink Sheets: PRZCF)

Dear Shareholders,

In the last year we have had to weather a Worldwide economic crisis that has effected both the capital markets and commodity prices. As a result, without exception, all public oil and gas companies regardless of their size have experienced downward pressure on their share price. Petro Horizon Energy is no exception. However, as the market seems to have turned a corner over the last quarter, oil and gas prices are recovering, investor confidence is starting to return. We feel that we have gone through our lows as a company and will be well-positioned to take advantage of market opportunities as they arise over the coming months.

As previously reported, Petro Horizon Energy went through a much-needed consolidation process that concluded in February of this year. It was necessary as we saw the potential to acquire assets at a discount to their value, and we wanted to be in a position to raise capital in an accretive



manner so as to take advantage of those opportunities as they became available to us. Previously our share structure was too dilutive to new capital. Now, we are able to move with speed as necessary to acquire those assets we identify as being keys to the future success of the company.

Our current focus is on the New Waverly prospect located in San Jacinto County, 60 miles north of Houston, Texas. Petro Horizon Energy, through its wholly owned U.S. subsidiary, holds a 25-per-cent working interest in 400 acres and a 37.5-per-cent working interest over the remainder of the prospect. The New Waverly prospect, comprising approximately 4,200 acres, is a strategic undeveloped tract situated adjacent to and amidst significant historic production and current exploration and development.

Producing formations in the area include the Jackson formation (depth 2,800 feet), the Yegua formation (depth 4,400 feet), the Cook Mountain formation (depth 5,500 feet), the Wilcox formation (11,500 to 12,000 feet), and the Midway formation (depth 13,000 feet). The New Waverly Prospect is also on trend with production from the Woodbine formation at approximately 16,000 feet. Exploration for Woodbine formation targets is active in the immediate vicinity of New Waverly.

Commercial production from the Cook Mountain and Yegua formations has been established on nearby and adjacent acreage in a number of wells which have individually produced from .8 billion cubic feet of gas to 1.7 billion cubic feet of gas. Major production from the Wilcox formation has also been established in a large number of nearby wells, several on immediately adjacent acreage, where individual production to date totals from 1 Billion Cubic Feet (still producing) of gas up to 4.7 Billion



Cubic Feet of gas plus various quantities of oil. These are highly economic results and all these formations are prospective producers at New Waverly. Of even more dramatic interest is the prospect of production from the Woodbine formation at New Waverly. The Double "A" Wells Field, located in neighbouring Polk County, has produced nearly 400 Billion Cubic Feet of gas and 20 million barrels of oil from 60 wells drilled from 1990 through 2000. Based on examination of available data, we are committed to determining the potential for a Woodbine prospect at New Waverly. (For more information on this property, see the news release of May 7th, or visit our website).



The Funk No. 1 well in Goliad County continues to produce gas from the Frio formation in excess of 100 thousand cubic feet of gas per day. The company is evaluating the merits of additional proposed wells at Funk and expects to reach a decision on whether to proceed with additional drilling in summer 2009. Petro Horizon Energy Corp. owns a 54-per-cent working interest in the Funk prospect.

We have taken steps necessary to increase the awareness of Petro Horizon within the investment community by hiring the firm Anderson Financial Marketing (see news release of May 5th), to be our voice and tell our story to the investment community within Canada and

abroad. With their expertise, we feel that we will receive better recognition in the market, and subsequent share valuation, as we execute on our business strategy and continue to hit our corporate milestones.

One of those milestones could be the addition of stable oil or gas production together with developable reserves. We will continue to pursue, and evaluate oil and gas properties as they become available, and focus on what we believe will be a success to the shareholders, but with the unique perspective to remain open to opportunities in this or other sectors, that would benefit you, our shareholders!!

We do appreciate your patience as we move forward in a much stronger position and hope that your continued support will provide us with some of that strength necessary to achieve our goals. We encourage you to visit our website frequently for updates (www.petrohorizonenergy.ca), and call us anytime you need questions answered.

Christopher J. Wensley
President and Director
Petro Horizon Energy Corp.