

SE Business
HD **Mystery Roc offer clouds horizon**
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THE \$800 **million** merger plan between Roc **Oil** and Horizon **Oil** could yet be derailed if a mystery third party follows through with a formal takeover bid for Roc alone.

Shares in the Sydney-based Roc climbed 4c or 7.1 per cent to 60c in response to its revelation about the potential interloper, while Horizon shares weakened 2.5c or 6.5 per cent to 35.5c.

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Roc shares are trading 32 per cent higher than when the agreed combination with Horizon was first announced on April 29.

The **company** said it had "received a confidential, unsolicited, indicative and incomplete proposal in relation to the **acquisition** of all the issued share capital".

"There is no certainty that the proposal will develop into a formal offer," Roc said.

Horizon said it did not have any further information in relation to the identity of the other party, the material details of the approach, or whether discussions were continuing between Roc and the third party.

"Accordingly, it is unclear whether this approach will eventuate or affect the timing of the proposed merger," the **company** said. "If a competing proposal does emerge, Horizon will assess its position." Apart from the emergence of the mystery third party, Roc has felt heat from fund manager Allan Gray, which speaks for 19.5 per cent of the **company**, from the day the merger was announced.

It labelled the merger as "crazy" and "stupid" and was annoyed that Roc would not be asking for shareholder approval for merger, even if it was not required to do so by the regulators.

The fund manager has since proposed a mechanism which would give Roc shareholders a vote. That is by way of a proposed change to Roc's constitution at an extraordinary meeting scheduled for July 11.

The proposed change — strongly opposed by Roc — would limit the ability of the **company** to issue shares which amount to more than 30 per cent of the number of shares on issue without the approval of shareholders by ordinary resolution.

Roc has previously recommended that shareholders vote against the resolution proposed at the meeting.

Under the planned merger, Horizon shareholders are to receive 0.724 Roc shares for each Horizon share. Horizon shareholders will hold 58 per cent of the merged **company** and Roc shareholders the remaining 42 per cent. The merger combines **oil** and gas production and exploration interests in **China**, Papua New Guinea, Malaysia and New Zealand.

CO rocoil : Roc Oil Company Ltd

IN i1 : Energy | i13 : Crude Oil/Natural Gas

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