

HD FED:Horizon and Roc to **merge** in \$800m deal
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PERTH, April 29 AAP - **Oil** and gas players Roc **Oil** and Horizon **Oil** have struck an \$800 **million** deal to **merge** their Asian assets and produce up to 20,000 barrels of **oil** per day.

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The merged **company** is expected to have assets across **China**, Papua New Guinea, Malaysia, Myanmar, Australia and New Zealand with a market value of around \$800 **million**.

Roc **Oil** chief executive Alan Linn said the deal would allow Roc to operate in attractive regions such as PNG and Malaysia following the departure of larger companies which were focusing on US shale assets.

"There are things which need to happen in the future in terms of finalising developments and confirming commerciality on various projects but you have a business that has the potential to be delivering somewhere between 15,000 to 20,000 barrels of **oil** a day or equivalent through until about 2030," Mr Linn told analysts on Tuesday.

He said the aim was to create a regional operator "with scale" as gaps in the market emerged.

Under the plan investors will trade their Horizon shares for shares in Roc **Oil**.

Horizon shareholders will own about 58 per cent of the merged **company**, and Roc **Oil** shareholders the remaining 42 per cent.

Some analysts say the deal appears to be in skewed in favour of Horizon as Roc enters in a net cash position.

But Roc chairman Mike Harding dismissed the commentary, saying the combined assets offered a good spread for the short, medium and long term.

"If we were on our own we would continually have to look for the next asset - we can't invest heavily in exploration," Mr Harding said.

The deal is expected to result in the merged **company** holding around \$200 **million** in cash.

Horizon chief executive Brent Emmett said the combination of complementary assets and activities made strategic sense.

"Horizon has been focused on building a leading portfolio of Asian focused assets and the opportunity to **merge** with Roc represents a significant step towards achieving that objective," he said.

Mr Emmett is expected to be appointed chief executive while Mr Harding will chair the merged **company**.

The boards of both companies support the merger, and Horizon shareholders will meet in July to vote on the proposal.

If approved, Horizon shareholders will receive 0.724 Roc **Oil** shares for every Horizon share.

Horizon shares were down two cents, or 5.4 per cent, at 35 cents at 1430 AEST, while Roc **Oil** shares were flat at 45.5 cents.

AAP krc/gfr

CO rocoil : Roc Oil Company Ltd

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RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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