

HD Roc and Horizon to **merge**

WC 498 words

PD 29 April 2014

ET 11:36

SN Upstream

SC UPSTRM

LA English

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Australian duo Horizon **Oil** and Roc **Oil** have unveiled plans to **merge** and form an Asia-focused exploration and production **company**.]]>

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The pair revealed on Tuesday they had entered a merger implementation deed which will see Horizon shareholders receive 0.724 Roc shares for each Horizon share they hold. This will result in Roc shareholders holding about 42% of the newly merged **company** and Horizon shareholders owning about 58%. In a joint press release, Roc and Horizon said the proposed merger was backed by the boards of both companies, subject to an independent expert verifying the merger is in the best interest of Horizon shareholders. The proposed merger is also conditional on the completion of Horizon's farm-out of a 40% **stake** in its upstream Papua New Guinea assets to Japan's Osaka Gas. The deal covers lock PRL 4 which contains the Stanley field, Block PRL 21 hosting the Elevala and Ketu fields, and exploration block PPL 259 plus options to PPLs 372, 373 and 430. The deal cleared its final hurdle earlier this month when Horizon was given the go-ahead to progress its Stanley gas condensate development in PNG's Western Province. Tuesday's announcement confirmed market speculation last week that the two companies were looking to **merge** after they both halted trading in their shares. If the merger goes ahead, the newly formed entity will hold proven plus probable reserves of 36.9 **million** barrels of **oil** equivalent and best estimate contingent resources of 120.7 **million** boe across assets in **China**, Papua New Guinea, Malaysia, Myanmar, Australia and New Zealand. "The merger allows all shareholders to retain exposure to the attractive assets of each **company**, whilst providing greater diversification, scale and a stronger platform from which to continue to deliver future shareholder returns," Horizon chairman Fraser Ainsworth said. "After undertaking detailed due diligence on the assets and prospects of each **company**, the merger terms reflect our boards' mutual judgment that the relative market valuations are the appropriate basis to ensure both groups of shareholders have the appropriate level of **equity** ownership in the merged group." The board of the merged **company** will comprise of three current non-executive directors from Roc and four non-executive directors from Horizon. Current Horizon chief executive Brent Emmett will serve as the chief executive and managing director of the new **company**, while Roc chief executive Alan Linn will continue with the merged group as the president of Roc **Oil** Malaysia until April next year. Ainsworth will be appointed as non-executive director of the merged group, while Roc chairman Mike Harding will become chairman. Horizon plans to hold a shareholders meeting in July this year and the merger implementation is expected to take place in August. Roc appointed JB North & **Company** as financial adviser and Herbert Smith Freehills as legal adviser to the transaction, while Horizon appointed UBS as financial adviser and King & Wood Mallesons as legal adviser.

CO rocoil : Roc Oil Company Ltd

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