

HD **UPDATE 1-Australia's Horizon Oil and Roc Oil agree to merge**

WC 301 words

PD 29 April 2014

ET 10:33

SN Reuters News

SC LBA

LA English

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(Adds merger details, companies comments)

By Maggie Lu Yueyang

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SYDNEY, April 29 (Reuters) - Australian oil and gas producers Horizon Oil Ltd and Roc Oil Company Ltd have agreed to merge to form a single, Asia-focused energy company worth A\$800 million (\$740 million), the two companies said on Tuesday.

The merged group - which will have assets in China, Papua New Guinea, Malaysia, Myanmar, Australia and New Zealand - will be better positioned for growth than either company on a standalone basis, the companies said in a statement.

"This transaction represents a unique and compelling opportunity to bring together two companies with highly complementary assets to create a new Asian-focused mid cap E&P (exploration and production) champion," said Roc chairman Mike Harding, who will be the chairman of the merged group.

Under the agreement, Horizon shareholders will receive 0.724 Roc shares for each Horizon share they hold and will own about 58 percent of the merged group after the merger is complete. Roc shareholders will own the other 42 percent.

Horizon generated 66 percent of its 2013 revenue from New Zealand developments and 34 percent from China, while Roc earns 76 percent of its revenue from China, 11 percent from Asia and 7 percent from the UK, according to Thomson Reuters data.

The proposal has the unanimous support of both companies' boards. Horizon engaged UBS as adviser, while Roc is advised by J.B. North & Co.

Shares in both companies have been on hold since last Thursday. Horizon last closed at A\$0.37 and Roc closed at A\$0.46. (\$1 = 1.0796 Australian Dollars) (Reporting by Maggie Lu Yueyang; Editing by Paul Tait and Richard Pullin)

RF Released: 2014-4-29T01:33:29.000Z

CO blhol : Horizon Oil Limited | rocoil : Roc Oil Company Ltd

IN i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | iextra : Natural Gas/Oil Extraction

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