

**HD Roc shareholders fail in merger vote**

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ROC shareholders have failed to change the constitution to allow investors to vote on its \$800 **million** merger with fellow **energy** player Horizon **Oil**.

MAJOR Roc shareholders Allan Gray and Hostplus Superannuation forced a special resolution to amend the **energy company**'s constitution, but it was defeated at a fiery extraordinary meeting on Friday.

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A total of 51.5 per cent of shareholders voted in favour of the proposal which required 75 per cent of votes to pass.

Still, Roc shares rose 4.4 per cent to 59 cents at 1530 AEST following a fresh takeover offer for the **company** this week.

The Australian Shareholders Association said Roc chairman Mike Harding and the board should be ashamed of themselves for not allowing Roc shareholders to vote on the merger proposal.

"The issue here is the board really not doing the right thing," ASA representative David Jackson told the meeting on Friday.

"The Horizon shareholders have had the opportunity to vote and we will be taking this up with the ASX in order to get these listing rules strengthened."

He said it was "terrible" that the board would go to such lengths to get an exemption from ASX listing rules."

Mr Jackson added that the board would have had its merger defeated if a vote had been put to the **company**'s annual general meeting in May.

He also said the early 9am meeting time had precluded some shareholders from attending the meeting.

Mr Harding said he was not ashamed of himself or the board and a 9am start felt "fine".

"We've done everything by the rules and if you don't like the ASX listing rules you should take it up with all of the other people that have complained," Mr Jackson said.

Simon Marais, the managing director of fund manager Allan Gray which owns a 19 per cent **stake** in Roc **Oil**, said it was inappropriate that Roc shareholders were unable to vote on the deal.

Horizon welcomed the shareholder decision on Friday and said it meant the proposed merger remained on track.

"The merger will bring together two highly complementary companies, creating a leading Asian-focused upstream **oil** and gas **company** that will provide a platform for significant potential growth and value realisation," Horizon said in a statement.

Roc **Oil** is now the target of a second takeover offer, separate to an approach made by an unnamed party late in June.

But the fresh takeover offer announced this week complicates plans for the \$800 **million** merger between Roc and Horizon.

Horizon and Roc **Oil** have proposed a merger that would create a **company** with assets across **China**, Papua New Guinea, Malaysia, Myanmar, Australia and New Zealand.

The **company** would not publicly reveal who was behind the takeover bids.

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

Horizon shareholders will vote on the proposal at a meeting on August 7 in Sydney.

**CO** aurhld : Australian Shareholders' Association

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