

HD New bidder emerges with 'unsolicited, incomplete' offer for Australian ROC **Oil**

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Australian **oil** and gas **company** ROC **Oil** has received a takeover offer from a third party, potentially thwarting its proposed A\$800 **million** (\$752 **million**) "merger of equals" with Horizon **Oil**.

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The proposal for the **acquisition** of all of ROC's shares, was "confidential, unsolicited and incomplete," the **company** said in a statement Tuesday.

"Shareholders do not need to take any action in response to the proposal," ROC said. "There is no certainty that the proposal will develop into a formal offer to ROC's shareholders."

Horizon said it had made no recommendation to its shareholders in relation to the proposal. "The board of Horizon **Oil** remains committed to the merger with ROC **Oil**," the **company** said in a separate statement.

Under the terms of the merger, agreed by the two companies on April 29, Horizon shareholders would receive 0.724 of a share in ROC, which would retain its identity as the operator of the expanded group's assets in Malaysia, **China** and PNG. ROC's existing shareholders would hold around 42% of the merged **company**, with Horizon shareholders owning about 58%.

The proposal has been opposed by ROC's largest shareholder, Allan Gray. The funds management **company** has called an extraordinary general meeting for July 11 at which it will put a resolution to change ROC's constitution and frustrate the merger.

ROC and Horizon are partners in an **oil** field which is currently producing around 13,000 **b/d** in **China**'s Beibu Gulf.

The expanded **company**'s key growth asset in Malaysia would be its 50% **stake** in Petronas Carigali's D35, D21 and J4 **oil** fields, offshore Sarawak. The fields, currently producing 10,000 **b/d** of **oil** and 17,000 Mcf/d of gas, are to be redeveloped at a cost of \$250 **million**.

Horizon's major contribution to the merged group would be its 30%-held Stanley and 27%-held Elevala/Ketu projects in PNG. A \$300 **million** development of the Stanley field has been approved by the PNG government and is expected to be completed in 2016, producing 4,000 **b/d** of condensate and 140,000 Mcf/day of gas. In the longer term, Horizon's PNG assets are expected to form the basis of a mid-scale LNG project.

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