



HD Horizon, Roc to merge

BY SYDNEY

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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.

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.

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"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 per cent of the merged group after the merger is complete. Roc shareholders will own the other 42 per cent.

Horizon generated 66 per cent of its 2013 revenue from New Zealand developments and 34 per cent from China, while Roc earns 76 per cent of its revenue from China, 11 per cent from Asia and 7 per cent 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. Horizon last closed at A\$0.37 and Roc closed at A\$0.46.

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

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