TAKEOVERS

OPEN OFFERS

President Energy

Announced	5/02/14
Last payment	21/02/14
Total amount raised	£34.8m (gross)
Terms	1:26
Issue price	35p
Market price	34.75p

President Energy is raising $50m (£30.7m) through a placing and a further £4.1m through an open offer to support its three well drilling campaign on its Pirity Block in Paraguay. **Ignore**. See article, below right.

McKay Securities

Announced	29/01/14
Last payment	13/02/14
Total amount raised	£82.2m (net)
Terms	1:1
Issue price	189p
Market price	190p

Offer closed.

Aminex

Announced	30/01/14
Last payment	20/02/14
Total amount raised	£8m (gross)
Terms	1:4
Issue price	1.27p
Market price	0.99p

Aminex is raising £2m through an open offer with the rest coming from a placing. The oil and gas explorer wants the funds to support the development of assets in Tanzania. But at this stage prospects look sufficiently speculative to justify caution. **Ignore**.

IP Group

Announced	23/01/14
Last payment	11/02/14
Total amount raised	£72.9m (net)
Terms	4.0377:100
Issue price	165p
Market price	176.5p

Offer closed.

RIGHTS ISSUE

Cineworld

Announced	10/01/14
Ex-rights	30/01/14
Last payment	13/02/14
Total amount raised	£107m (net)
Terms	8:25
Issue price	230p
Market price	345p
Nil paid price	114p

Offer closed.

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TAKEOVERS

Target	Bidder	Terms	Value	Closing date
AZ Electronic Materials Speciality chemicals	Merck Pharmaceuticals	403.5p cash per share	£1.57bn	18/02

Recommended, with 56.48 per cent acceptances. Shareholder Threadneedle reckons the bid undervalues the business and it has raised it stake in the group to above 11 per cent – a level of ownership that could potentially enable it to block the deal. Still, Merck's offer does represent an attractive 53 per cent premium to AZ's pre-bid share price. **Accept**.

Expansys e-commerce	Peter Jones CBE Shareholder	0.525p cash per share	£6.1m	na

This is a mandatory offer after shareholder and group non-executive director Peter Jones increased his stake in Expansys to 50.92 per cent. The bid represents a 12.9 per cent premium to Expansys's share price just prior to news of the offer. Expansys's board is in the process of considering the approach and is currently advising shareholders to take no action. **Await documents**.

F&C Asset Management Fund manager	Bank of Montreal Canadian bank	120p cash per share	£708m	na

Recommended offer via a scheme of arrangement, with 12.3 per cent acceptances so far. The offer represents a reasonable looking 30.5 per cent premium to F&C's share price just prior to news of the bid. But some analysts think the approach could flush out other bidders. **Await documents**.

Fusion IP Intellectual property investor	IP Group Intellectual property investor	0.446 IP: 1 Fusion IP	£87.8m	27/02

Recommended via a scheme of arrangement. IP already owns 20.1 per cent of Fusion IP and the all-share offer values each share at 80.2p – representing a 27.4 per cent premium to Fusion IP's share price just prior to news of the offer. **Sit tight**.

Pilat Media Global Media software	SintecMedia Broadcasting software	95p cash per share	£63.3m	na

Recommended offer via a scheme of arrangement. SintecMedia intends to acquire 5 per cent of Pilat and its wholly-owned subsidiary, Sintec Media Software, plans to acquire the rest. So far the bid has received 27.85 per cent acceptances and the offer represents a 28.8 per cent premium to Pilat's share price just prior to news of the bid. **Await documents**.

AIM: OIL & GAS PRODUCERS

President punts on Paraguay

Frontier oil explorer President Energy is raising $57m to drill enormous and risky oil prospects in under-explored Paraguay

MATTHEW ALLAN

President Energy (PPC) shares fell by a fifth after the frontier oil explorer announced a $50m (£31m) placing with institutional investors and a $6.7m open offer to existing shareholders at 35p a share – a significant discount to the 47p price the shares traded at prior to the announcement.

The money will be used to complete a three-well exploration drilling programme in Paraguay this year. The first well is scheduled to spud in May. President's chairman Peter Levine said the placing "will significantly strengthen our financial position and allow us to progress our expanded exploration activities this year". He has agreed to acquire 4.35m shares in the placing through his private investment company at a cost of around £1.5m. It's the latest in a series of financings backed by Mr Levine, who made serious money for both himself and investors when he sold Imperial Energy to an Indian oil group for £1.4bn in 2009. Mr Levine will control roughly 19.5 per cent of President's shares following the dilutive financing, down from 27 per cent.

President owns interests in small producing fields in Argentina and Louisiana, but entered under-explored Paraguay last year and has since completed extensive seismic work. The company says its high-risk prospects could hold as much as 4.1bn barrels of oil in a best-case scenario, or 1.1bn in a mid-case success scenario, based on comparisons with similar proven fields across the border in Argentina.

President's circa £150m market capitalisation belies the high-risk nature of its Paraguayan exploration prospects, which have a one-in-four chance of success at best. Still, if President beats the odds and does find oil in commercial quantities, its licence portfolio could be worth billions. If it doesn't, the shares are likely to take the market value back towards pre-Paraguay times, of around £30m. It's a trade-off we don't feel particularly comfortable with, as there are other exploration companies out there with better risk-reward ratios. Ignore.