

EXHIBIT H

Ocean Energy, Devon Energy agree to merge
Houston Business Journal, February 24, 2003

[Sign In / Register](#)

Houston Business Journal - February 24, 2003
[/houston/stories/2003/02/24/daily5.html](http://houston/stories/2003/02/24/daily5.html)



Monday, February 24, 2003

Ocean Energy, Devon Energy agree to merge

Houston Business Journal

Oklahoma City-based **Devon Energy Corp.** announced Monday that it and Houston-based oil and gas exploration company **Ocean Energy Inc.** have agreed to a \$5.3 billion merger.

The merged company will be named Devon Energy Corp. and will be headquartered in Oklahoma City.

Upon completion of the merger, Devon will become the largest U.S.-based independent oil and natural gas producer with production of approximately 650,000 equivalent barrels of oil per day and will have an enterprise value of approximately \$20 billion.

Following the merger, J. Larry Nichols, Devon's chairman, president and chief executive officer, will retain the positions of chairman and chief executive officer of Devon.

James T. Hackett, chairman, president and chief executive officer of Ocean Energy will be named president and chief operating officer.

The board of directors will consist of nine members from Devon and four members from Ocean.

"Combining our two companies creates a balanced portfolio with North American and international assets, increased oil and gas production capabilities and greater internal growth opportunities through an active exploration program," Hackett said.

"Ocean's high-impact, deepwater projects and complementary management skills make this a win-win transaction."

"This merger combines the strong North American portfolio of Devon with the growth profile of Ocean," Nichols said

"As part of a much larger organization, our shareholders will benefit from the superior access to capital necessary to accelerate key exploration and development opportunities. It also provides a commodity mix weighted positively toward North American natural gas and creates a better balance between exploration and exploitation, minimizing the risk associated with high-impact exploration."

Devon's stable, gas-focused North American assets will be complemented by Ocean's high-impact international and deepwater development and exploration projects, the two companies say.

The transaction also creates an entity with a stronger balance sheet and greater financial flexibility, allowing for acceleration of key exploration opportunities.

The companies expect general and administrative cost savings of at least \$50 million annually.

Devon and Ocean have significant core area overlap that will provide operational synergies.

The combined company will produce approximately 2.4 billion cubic feet of natural gas and approximately 250,000 barrels of oil and natural gas liquids per day.

Devon will have approximately 2.2 billion barrels of oil equivalent proved reserves, with 84 percent in North America.

Ninety percent of Devon's worldwide production will be from North America, of which 69 percent will be natural gas.

Long-term debt of the combined company will be approximately 52 percent of total capitalization.

The company worldwide will hold 29 million net undeveloped acres.

With interests in more than 500 deepwater Gulf of Mexico blocks, Devon will be the largest independent deepwater Gulf leaseholder.

Under the terms of the merger agreement, Ocean's shareholders will receive 0.414 shares of Devon common stock for each common share of Ocean.

This will require Devon to issue 73.4 million new shares to Ocean's shareholders.

Based upon Devon's closing stock price of \$48.23 per share on February 21, 2003, the total value of the stock to be issued will be approximately \$3.5 billion.

The aggregate value of the transaction, including the assumption of Ocean's debt and other obligations, is approximately \$5.3 billion.

The boards of directors of both companies have approved the merger. Completion of the transaction is expected in the second or third quarter of 2003.

Ocean Energy is an independent energy company engaged in the exploration, development, production, and acquisition of crude oil and natural gas.

Its north American operations are focused in the shelf and deepwater areas of the Gulf of Mexico, the Rocky Mountains, Permian Basin, Anadarko, East Texas, North Louisiana and Gulf Coast regions.

Internationally, Ocean holds a leading position among U.S. independents in West Africa with oil and gas activities in Equatorial Guinea, Angola, Nigeria and Cote d'Ivoire. The company also conducts operations in Egypt, the Russian Republic of Tatarstan, Brazil and Indonesia.

Devon Energy Corp. is an Oklahoma City-based independent energy company engaged in oil and gas exploration, production and property acquisitions, and ranks among the Top 5 U.S.-based independent oil and gas producers and is included in the S&P 500 Index.

All contents of this site © American City Business Journals Inc. All rights reserved.