

HOUSTON EXPLORATION CO
Form DEFA14A
April 19, 2007

x

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant O

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- o Definitive Additional Materials
- x Soliciting Material Pursuant to §240.14a-12

THE HOUSTON EXPLORATION COMPANY
(Name of Registrant as Specified In Its Charter)
N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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On January 7, 2007, The Houston Exploration Company (*Houston Exploration*) announced that it had entered into an agreement and plan of merger with Forest Oil Corporation (*Forest*) pursuant to which Forest will acquire all of the outstanding shares of Houston Exploration for approximately \$1.5 billion in cash and Forest common stock. Forest will also assume approximately \$0.1 billion of Houston Exploration net debt.

Houston Exploration and Forest will file a joint proxy statement/prospectus and other materials relating to the transaction with the Securities and Exchange Commission (*SEC*). The definitive joint proxy statement/prospectus will be mailed to stockholders of Houston Exploration and Forest. Investors and security holders are urged to read the definitive joint proxy statement/prospectus when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information about Houston Exploration, Forest and the proposed transaction.

Investors and security holders may obtain these documents free of charge at the SEC's Web site at www.sec.gov. In addition, the documents filed with the SEC by Houston Exploration may be obtained free of charge from the Houston Exploration Web site at www.houstonexploration.com. The documents filed with the SEC by Forest may be obtained free of charge from Forest's Web site at www.forestoil.com. In addition, a free copy of the definitive joint proxy statement/prospectus, when it becomes available, may be obtained from Houston Exploration at 1100 Louisiana Street, Suite 2000, Houston, Texas 77002.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION.

Houston Exploration, Forest and their respective directors and executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the participants and their direct and indirect interests in the solicitation will be set forth in the joint proxy statement/prospectus when it becomes available.

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act. All statements other than statements of historical fact included in this document are forward-looking statements and reflect current expectations and are based on current available information and numerous assumptions. Important factors that could affect the completion and timing of the proposed merger include, among others, approval by Houston Exploration's and Forest's stockholders, the satisfaction of customary closing conditions, government regulations and approvals, and other factors discussed in Houston Exploration's SEC filings and public announcements.

The following was presented to Houston Exploration employees on April 19, 2007 by representatives of Forest.
