

## Why Petrominerales Shares Skyrocketed

### Description

*Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.*

**What:** Shares of **Petrominerales** (TSX: PMG) soared a staggering 51% today after **Pacific Rubiales** (TSX: PRE) agreed to acquire the Latin American focused oil explorer for \$1.6 billion.

**So what:** The cash-and-stock deal — \$11.00 in cash and one share of the new Brazil-focused company called ExploreCo. — values Petrominerales at around \$12.10 per share and represents a 56% premium to its closing price on Friday. The heavy oil-focused Rubiales is making the move to grow reserves and capture asset synergies by integrating Petrominerales' light oil production, but judging by its own stock's 5% pullback today, Mr. Market isn't thrilled with the price being paid to do it.

**Now what:** The deal is expected to close in the fourth quarter in 2013, subject to customary shareholder and regulatory approval.

"Overall, the acquisition adds production and reserves at attractive and accretive metrics, assets whose value can be increased through accelerated activity, transportation and marketing synergies, and exploration upside," [said](#) Rubiales CEO Ronald Pantin. "This not only strengthens our focus in Colombia and Peru, but also builds on our proven track record of extracting value by growing production and generating cash flow."

So while Petrominerales might be all popped out at this point, energy-savvy Fools might want to look at the new ExploreCo as a potentially attractive play on Latin America.

Assembling an air-tight portfolio can be a tall order. But every seasoned investor knows this little secret: You can build your portfolio and protect it with high-yielding dividend stocks! Now, which dividend plays are the best, you ask? We found 13 of them ...

### What are you doing October 1?

Our senior investment analyst will unveil his [top two stock ideas](#) for new money now on Oct. 1. And YOU can be one of the select few investors to find out first — just [click here](#) to reserve your invitation.

*Fool contributor [Brian Pacampara](#) owns no position in any of the companies mentioned.*

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:FEC (Frontera Energy Corporation)

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