

NOTICE 272 OF 2010

Date: 17 March 2010

**COMPETITION COMMISSION
APPLICATION FOR AN EXEMPTION**

Notice is hereby given in terms of section 10(6)(a) of the Competition Act, No. 89 of 1998, as amended ("the Act"), that Spring Light Gas (Pty) Ltd (herein referred to as "SLG"), a company, registered in terms of the Companies Act of 1973, has applied to the Competition Commission ("the Commission"), in terms of section 10(3)(b)(ii) of the Act, for an exemption from certain provisions of Chapter 2 of the Act. SLG is a gas trader and as part of a Black Economic Empowerment ("BEE") initiative conceptualised by Sasol Gas Limited ("Sasol Gas"), SLG was created by and purchased business rights of Sasol in the Durban Area.

The exemption application is lodged on the basis that the relevant agreements and practices concerned, achieve the objective set out in section 10(3)(b)(ii) of the Act. Section 10(3)(b)(ii) provides that the Commission may grant an exemption only if the agreement or practice concerned, or category of agreements or practices concerned, contributes amongst others to the promotion of the ability of small businesses, or firms controlled or owned by historically disadvantaged persons, to become competitive.

The parties seek an exemption which will permit them to give effect to a category of practices and agreements which relate to the allocation by Sasol Gas of certain customers to SLG, and a commitment not to compete with SLG as a trader of gas in the Durban South Area in terms of the Sale and Purchase of Business Agreement and in the "Expanded Marketing Area" as identified in the Second Gas Supply Agreement ("SGSA"), between SLG and Sasol Gas.

The parties therefore seek an exemption in terms of which Sasol will make a commitment (i) not to target those customers allocated to SLG and (ii) that, apart from the continued supply arrangements with its existing customers, it (Sasol) will not compete with SLG in the territories defined in the Sale and Purchase of Business Agreement and the SGSA.

The scope of the exemption application therefore includes practices relating to the Sale and Purchase of Business Agreement and the SGSA.

SLG submits that it will not be able to remain a viable player in the relevant market unless it is granted an exemption for the practices as mentioned above, that is, the commitment by Sasol (i) not to target those customers allocated to SLG, and (ii) that, apart from the continued supply arrangements with its existing customers, Sasol will not compete with SLG in the territories defined in the Sale and Purchase of Business Agreement and the SGSA.

SLG therefore requires an exemption until the end of 2020.

Notice is further hereby given, as required by section 10(6)(b) of the Act, to allow interested parties to make written representations as to why the exemption should not be granted. Interested parties have 20 business days from the date of this notice to submit their representations to the Commission.

Such representations should be directed to:

Mr Khumisi Kganare
Competition Commission of SA
Enforcement and Exemptions Division,
Private Bag X23,
Lynnwood Ridge, 0040
Facsimile: (012) 394 4252
Email: williamk@compcom.co.za

In correspondence kindly refer to the following case number: 2009Dec4805.