

NOTICE 293 OF 2012**COMPETITION COMMISSION****NOTIFICATION TO CONDITIONALLY APPROVE THE TRANSACTION INVOLVING:****BP SOUTHERN AFRICA (PTY) LTD****AND****ALRODE DEPOT (OWNED BY SASOL LIMITED)****CASE NUMBER: 2011DEC0424**

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission, that it has approved the transaction involving the above mentioned firms subject to conditions as set out below:

The primary acquiring firm is BP Southern Africa (Pty) Ltd ("BPSA") and the primary target is Sasol Limited only in respect of its Alrode fuel depot. In a separate, but related transaction, Sasol Oil (Pty) Ltd ("Sasol Oil") is the primary acquiring firm and the primary target firm is BPSA only in respect of its Waltloo fuel depot.

This transaction, at its core represents an 'exchange' of ownership in respect of two fuel depots only. Currently, BPSA owns 100% of its Waltloo fuel depot and Sasol Oil owns 100% of its Alrode fuel depot. Post transaction, BPSA will own a 50% stake in Sasol Oil's Alrode fuel depot.

BPSA's Waltloo depot is located in Waltloo, Pretoria. The depot's major facilities consist of a storage tank farm, offices, a laboratory, a workshop, road and rail gantries, and access to Transnet pipeline. Sasol's Alrode depot is located in Alberton, Johannesburg. The depot's major assets include petrol, diesel and additive storage tanks, office and security buildings, a road gantry and associated pipeline infrastructure.

This transaction gives rise to horizontal dimension and has vertical elements as well. In its assessment the Competition Commission ("Commission") analysed coordinated effects and potential foreclosure. It was found that the transaction does not result in a substantial lessening or prevention of competition.

With regard to the vertical assessment, the Commission considered the likelihood of foreclosure. The Commission received a concern regarding access to storage facilities. However, the Commission found that this transaction is unlikely to give rise to foreclosure concerns. It was also found that one of the industry dynamics may include pre-existing issues around access to storage facilities. It was further found that these transactions do not give rise to a change in ability to control access at the two storage facilities. Any pre-existing state of the industry in this regard is unlikely to change post-merger.

With regards to coordinated effects, the transactions resulting in joint ownership of the Waltloo and Alrode fuel depots may provide a platform for information exchange (outside the ambit of the exemption as gazette on 03 October 2011 No. 34651 Notice 710 of 2011) between BPSA and Sasol Oil. In this regard, transparency arising within the joint venture at each depot operation may facilitate transparency and coordination across depot operations. The Commission imposes conditions to allay the substantial prevention or lessening of competition that would arise as a result of the coordinated effects.

In addition, there are no public interest concerns.

The Commission therefore approves the transaction subject to the following conditions:

1. Conditions to the approval of the merger

Exchange of Information

- 1.1. Any exchange of information between BPSA and Sasol Oil in respect of the Waltloo depot and Alrode depot is only within the ambit and/or parameters specified in the Exemption as was published in Notice 710 of 2011 Government Gazette no 34651.
- 1.2. The parties will not exchange any information not provided for in the Exemption referred to in paragraph 3.1 above. The information exchange must only be in relation to information which relates to the co-ownership and operations of the Depots and which is necessary for the effective co-ownership and operations of the Depots.
- 1.3. The parties will not share any of the following information:
 - i. Information on customers;

- ii. Pricing Information;
- iii. Volume information relating to customers;
- iv. Logistical information relating to secondary distribution of any product which is collected from any of the jointly owned Depots; and/or
- v. Competitively sensitive information which is: not public information, and information which, but for the co-ownership of the Depots by the parties, would not have been available to either party.

2. Monitoring of compliance with the Conditions

- 2.1. The Merging Parties will provide proof of compliance with the conditions contained in paragraphs 3.1 above to the Commission within 6 (six) months from the Approval Date and thereafter within six monthly intervals.
- 2.2. An apparent breach by the Merging Parties of any of the Conditions shall be dealt with in terms of Rule 39 of the Rules for the Conduct of Proceedings in the Competition Commission.
- 2.3. The Commission may on good cause shown by the merging parties, lift, revise or amend these Conditions.
- 2.4. The Merging Parties shall submit the reports referred to in 4.1 above by e-mail to mergerconditions@compcom.co.za.

3. Duration

- 3.1. The Conditions contained herein shall exist as long as the BPSA and Sasol Oil have joint control in the Alrode and Waitloo depots.

Enquiries in this regard may be addressed to Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3298, or Facsimile: (012) 394 4298.