



NEWS RELEASE

Friday, 13 October 2006

Agreement between the Competition Authority and Topaz

The Competition Authority is satisfied that the outstanding competition concerns raised by its investigation of the acquisition of Statoil Ireland Limited (Statoil) by Topaz Energy Group Limited (Topaz) have been satisfactorily resolved by proposals made by Topaz.

On 12 July 2006, Topaz and Statoil notified the Competition Authority of a proposal whereby Topaz would acquire the entire issued share capital of Statoil. The Authority conducted a very extensive Phase 1 investigation that included:

- (i) the issuing of formal requests for information to both Topaz and Statoil;
- (ii) the assessment of third party submissions;
- (iii) the issuing of questionnaires to competitors and customers of both Topaz and Statoil, and the assessment of the responses to those questionnaires;
- (iv) site visits to the oil terminals in Dublin and Galway;
- (v) discussions with other government agencies; and
- (vi) an extensive research of the oil industry-from terminalling to the operation of motor fuels retail stations;

As a result of this investigation the Authority identified three areas in which preliminary views were expressed that the proposed acquisition would lead to competition concerns.

These concerns were discussed with the parties prior to 9 October 2006, the date by which the Competition Authority was to have made its determination under the merger provisions of the Competition Act. Owing to an administrative error and as stated in the Competition Authority's press release of 10 October 2006, the Competition Authority did not make its determination by 9 October 2006.

Those competition concerns included:

Terminalling and wholesale supply of refined petroleum products in Connacht and in particular, in Galway where the acquisition would reduce the number of independent terminal operators from three to two.

The operation of motor fuels retail stations. Based on a thorough analysis of the individual local markets affected, the acquisition would have reduced competition in retail stations in only one Dublin area.

Another matter which does not materially affect the scope of the transaction was also identified. This issue has been resolved by Topaz in discussions with the Competition Authority. More details are not given at this stage on grounds of commercial sensitivity.

To address these concerns Topaz made proposals that it has now agreed to implement.

These proposals include:

Terminalling and wholesale supply

Topaz has agreed that, within a reasonable period of time after the completion of the acquisition, it will undertake a Terminalling and throughput agreement, for a substantial term, at its existing Galway terminal with a major independent oil importer. This will be done on terms and conditions that the Competition Authority believes will facilitate competition in wholesale supply and will ultimately benefit consumers in the Connacht region. It will also have the effect of maintaining three independent operators in this region, which is the situation currently.

Retail filling stations

The Competition Authority undertook a comprehensive analysis of the respective retail networks of Topaz and Statoil which comprise 347 outlets nationwide. The Competition Authority's analysis concluded that the acquisition would have led to competition concerns in only one local market, located in Dublin. Topaz has agreed to a solution in this area that resolves the Competition Authority's competition concerns.

The above commitments address the potential competition issues identified in the Competition Authority's investigation.

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