MEDIA RELEASE

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Viva Energy's proposed acquisition of LOC Global not opposed, subject to divestiture

The ACCC will not oppose Viva Energy's (ASX:VEA) proposed acquisition of the remaining 50 per cent interest in LOC Global (LOC) from New World Corporation (NWC) after accepting a court-enforceable undertaking requiring divestments.

LOC is a joint venture between Viva Energy and NWC that operates over 100 'Liberty' branded retail fuel and convenience sites across all states and territories in mainland Australia.

Viva Energy and its related companies operate a nationwide fuel supply chain with retail fuel and convenience sites, including Coles Express/Reddy Express and OTR sites, in each Australian state and territory.

Viva Energy and LOC overlap in the supply of retail fuel across metropolitan and regional areas across South Australia, Victoria, Western Australia, New South Wales, Queensland, and Northern Territory. While this was the main focus of the ACCC's assessment, the ACCC also looked at competition in wholesale petrol supply in Adelaide but did not consider that the proposed acquisition is likely to result in a substantial lessening of competition in this market.

To address ACCC concerns arising from the retail fuel supply overlap, the undertaking requires Viva Energy to divest 14 LOC retail fuel and convenience sites to Solo Oil Corporation (Solo), a new wholly owned subsidiary of NWC who will continue to operate retail fuel and convenience.

The 14 sites are located across South Australia, Victoria, Northern Territory, and Queensland. The divestment is to occur prior to, or on the same day as, Viva Energy's proposed acquisition of LOC Global.

Another 13 LOC retail sites already do not form part of the transaction and will be operated by Solo.

"Without the divestiture, the ACCC was concerned the proposed acquisition could increase prices and reduce service offering, particularly in Adelaide and in certain local areas in Darwin, regional Queensland, and regional Victoria," ACCC Commissioner Dr Philip Williams said.

Viva Energy initially offered to divest 12 retail sites to Solo but, in response to concerns raised by the ACCC, increased the number of sites to 14.

"We consider with the divestments, Solo will become a viable, effective, and long-term standalone competitor to Viva," Dr Williams said.

With the undertaking, the ACCC considers the proposed acquisition is not likely to have the effect of substantially lessening competition in any market.

Further information, including the undertaking accepted by the ACCC, can be found on the ACCC's public register: Viva Energy - LOC Global.

Background

Viva Energy (with its related entities) is a fuel refiner, importer, wholesaler, distributor and retailer. It operates a nationwide fuel supply chain with retail sites in each Australian state and territory, including Coles Express/ Reddy Express and OTR convenience sites. Viva Energy is also the exclusive supplier of Shell-branded fuels and lubricants in Australia.

LOC is a joint venture established in December 2019 utilising the retail assets of Liberty Oil Holdings Pty Ltd. LOC and its subsidiaries currently operate (or grant rights to commission agents to operate) 105 Liberty retail fuel and convenience sites across all states and territories in Australia (excluding Tasmania), with plans for approximately an additional 21 planned sites.

As part of the proposed acquisition, Viva Energy will acquire 88 active LOC retail fuel sites and 10 planned sites across South Australia, Victoria, Western Australia, New South Wales, Queensland, and Northern Territory.

Solo is a wholly owned subsidiary of NWC. NWC is a joint venture between entities associated with two individuals, David Goldberger and David Wieland. Following the proposed acquisition, Solo (or a related entity) will own and control the fuel stock and retail pricing across the 14 divestiture sites and approximately 13 additional sites that sits outside the transaction but are owned by LOC.

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