

PRESS STATEMENT
FCC APPROVES PUMA'S ACQUISITION OF BP SHARES

The Fair Competition Commission on 1st July, 2011 approved acquisition of 50% of the issued share capital in BP Tanzania Limited by M/S PUMA Energy (Tanzania) Investments Ltd.

The approval follows a share purchase agreement reached on 12th November, 2010 between PUMA and BP Tanzania Limited after consultation with the BP-co-shareholder, the Government of Tanzania, which granted no objection to the sale of the shares of BP to PUMA.

The Commission approved the said merger unconditionally, pursuant to Rule 51 (13) (a) of the Fair Competition Commission Procedure Rules, 2010.

The petroleum sector is normally subdivided into two markets namely Upstream (exploration and excavation) and Downstream (from refinery to retail level). BP operates in the downstream petroleum market, as one amongst 29 ground petroleum business operators. Their main activities are importation, storage, export, inland transportation of refined petroleum products, wholesale and retail distribution of petroleum products including liquefied petroleum gas.

On 8th March, 2011 PUMA Energy (Tanzania) Investment Ltd (herein referred as PUMA) acting under Section 11(2) of the Fair Competition Act, 2003 (FCA) and Rule 42(2) of Fair Competition Commission Procedural Rules, 2010; notified the Fair Competition Commission (FCC) of their intention to acquire 50% of issued share capital in BP (Tanzania) Limited (herein referred as BP). The remaining 50% interest in BP will continue to be held by the Treasury Registrar of the United Republic of Tanzania.

The FCC wishes to remind all firms intending to merge or acquire other firms having operations in Tanzania, which, through the merger or acquisition may result in the change in control or ownership of a business undertaking in Tanzania, and which have their combined value of turnover or asset reaching the threshold amount announced by FCC in the Government Gazette (i.e. TShs. 800m/), to notify the Commission prior to consummation of the merger or acquisition in line with the FCA 2003 and FCA Procedural Rules, 2010. Failure to notify a merger is an offence under the Fair Competition Act.

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