



COMESA Competition Commission
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**Common Market for Eastern
and Southern Africa**

Case No. CCC/MER/2/11/2018

**Decision¹ of the Forty-Sixth (46th) Committee Responsible for Initial
Determination on the Application for Authorisation of the Proposed
Acquisition by Elf Aquitaine SAS of the Entire Share Capital of
Marathon Oil Libya Limited**

ECONOMIC SECTOR: Petroleum

5th October 2018 – Johannesburg, South Africa

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible the information omitted has been replaced by ranges of figures or a general description.

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Information and Relevant Background

1. On 27th February, 2018, the COMESA Competition Commission (hereinafter referred to as the "Commission") received a notification for approval of a merger between Elf Aquitaine SAS ("**Elf Aquitaine**") and Marathon Oil Libya Limited ("**MOLL**"). The proposed transaction involved the acquisition of the entire share capital of MOLL by Elf Aquitaine.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the "Regulations"). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (hereinafter referred to as the "CID") established that the parties operated in more than one COMESA Member State. This therefore meant that the regional dimension requirement under Article 23(3) of the Regulations was satisfied and asserted jurisdiction on the Commission to assess the transaction.

The Parties

Elf Aquitaine

4. The parties submitted that Elf Aquitaine, was a fully integrated oil and gas company wholly owned by Total. Total was a publicly listed company with listings on the Paris, New York, London, and Brussels Stock Exchanges. Together with its subsidiaries, Total was an international integrated energy producer which had operations in more than 130 countries worldwide. Total was engaged in every sector of the oil and gas industry including, in the upstream (hydrocarbon exploration, development and production) and the downstream (refining, petro-chemicals, specialty chemicals, trading and shipping of crude oil and petroleum products and marketing). Total was also involved in the renewable energy and power generation sectors.
5. The parties submitted that Total had operations in the following COMESA Member States: the Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Sudan, Eswatini, Uganda, Zambia, and Zimbabwe.

MOLL

6. The parties submitted that MOLL was a Cayman Islands registered Exempted limited liability company with a company branch in Libya. MOLL was a 100% indirect subsidiary of Marathon Oil Corporation, an American petroleum and natural gas exploration and production company based in Houston, Texas. Marathon Oil Corporation holds 16.33% working interest in six oil and gas concessions in Libya known as the Waha Concessions.
7. The parties submitted that MOLL was involved in the production and sale of natural gas; crude oil transportation services or capacities; and crude oil processing services or capacities. The parties submitted that MOLL had operations in one COMESA Member State namely, Libya.

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Nature of the Transaction

8. The parties submitted the proposed transaction involved the acquisition by Elf Aquitaine of the entire issued share capital of MOLL.

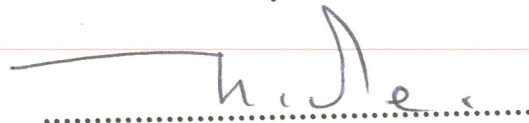
Competition Analysis

9. The CID defined the relevant product and geographic markets as follows:
- a) The global market for the exploration of crude oil and natural gas;
 - b) The global market for the production and sale of crude oil;
 - c) The global sale of natural gas;
 - d) The global market for the provision of crude oil transportation services; and
 - e) The global market for the provision of crude oil processing services.
10. The CID observed that the transaction did not result in a change in market structure, hence there will be no increase in market concentration.

Determination

11. The CID determined that the merger was not likely to substantially lessen competition in the Common Market and/or negatively affect trade between Member States. The CID therefore ratified the authorisation issued by the Director on 23rd May, 2018.
12. This decision is adopted in accordance with Article 26 of the Regulations.

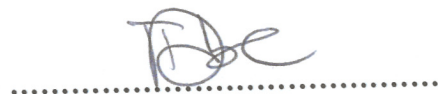
Dated this 5th day of October, 2018



Commissioner Patrick O. Okilangole
(Chairperson)



Commissioner Brian M. Lingela
(Member)



Commissioner Thembelihle P. Dube
(Member)