



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF OF THE ISSUED AND PAID UP  
SHARE CAPITAL OF M/S ASIA RESOURCES OIL LIMITED BY M/S KNKS  
EXPLORATION AND DEVELOPMENT LIMITED

CASE: 923/Merger-CCP/17

Commission

Ms. Vadiyya S. Khalil  
*Chairperson*

*M. Saleem*

Dr. Muhammad Saleem  
*Member*



## ORDER

1. On 6<sup>th</sup> November 2017 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s KNKS Exploration and Development Limited ("**Acquirer**" or "**Applicant**") intends to acquire at least \_\_\_\_\_ shares of M/s Asia Resources Oil Limited ("**Target**") by way of share purchase.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: Since the Acquirer was recently incorporated in October 2017, it has no existing operations in Pakistan. However the group it belongs to, United Energy Group ("**UEG**"), is engaged in businesses related to the exploration and production of crude oil and natural gas in Pakistan.
    - b. For the Target: It is engaged primarily in oil and gas production and exploration activities.
  - ii. The proposed transaction is an acquisition of \_\_\_\_\_ shares of the Target by the Acquirer. Both the parties operate in relevant product market of "**Upstream Oil and Gas Industry**" having a geographic market identified as of "**Pakistan**".
  - iii. Neither the Acquirer nor the Target have a dominant position in the relevant market. Post-merger, UEG will only increase its market by a mere \_\_\_\_\_ to \_\_\_\_\_ in oil segment while only \_\_\_\_\_ increase will be evident in gas segment moving to \_\_\_\_\_. The proposed transaction will not result in elimination of any competitor and the market dynamics of the relevant market will change insignificantly.
  - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



(Vadiyya S. Khalil)  
Chairperson

Islamabad the 10<sup>th</sup> January, 2018.





(Dr. Muhammad Saleem)  
Member